

11-3-92

SFUND RECORDS CTR  
2166-04277

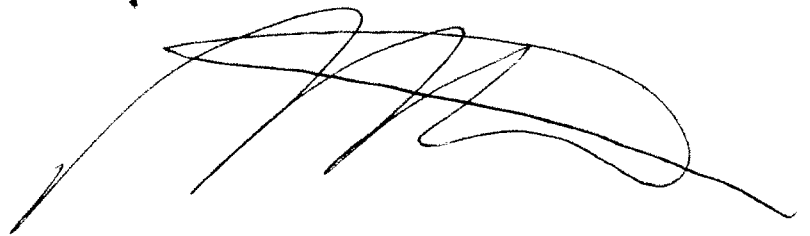
## Affidavit

This affidavit concerns Brander Industries Inc. S. D. Corp. and is made in reply to your request for information dated Sept. 8-1992. In as much as I, Vilis Brumm Andersen, am retired and only do consulting, it has been necessary for my Son - Erik Brumm-Andersen to gather most of the information you requested. I do not live in California and do not have access to the information you requested. I had a severe heart attack Aug. 3-1990 which nearly killed me and have had Angioplasty to recover some of the lost heart muscle. Our chief financial officer went into "shock" after this contamination was discovered, because

it ruined his retirement, as Pacific Steel Treating Co. became worthless. The reason for all this information regarding myself and my chief financial officer, (Bart M. Shackley) is that upon my sickness he felt left alone and shut down, subsequently he did not prepare and hold board of directors meeting, that is the reason for the missing minutes, the meetings were not held.

I hereby certify that I have done my very best to comply with your Sept 8-92 request

Rebecca M Powers  
9-9-94



## B R A N D E R   I N D U S T R I E S   I N C .

ANSWERS:

- 1.) NONE
- 2.) BOOKKEEPING/ACCOUNTING SERVICES.
- 3.) ELSE BRUUN-ANDERSEN TRUST 1968-PRESENT  
LEASE-JULY 1977 (ENCLOSED) WITH 5 YEAR  
RENEWALS. THERE ARE THREE PROPERTIES  
AT THIS LOCATION;  
  
6829 FARMDALE AVE.  
6837 FARMDALE AVE.  
11489 VANOWEN ST.  
  
ELSE BRUUN-ANDERSEN, TRUSTEE, REQUESTED  
THAT BRANDER INDUSTRIES INC. BE NAMED AS  
THE LEASEE. THIS WAY ELSE BRUUN-ANDERSEN  
WOULD RECEIVE ONLY ONE CHECK. BRANDER  
RECEIVES CHECKS ON A MONTHLY BASIS FROM  
THE THREE PROPERTIES BUT NO SUB LEASES  
WERE WRITTEN.
- 4.) ERIK BRUUN-ANDERSEN & ELSE BRUUN-ANDERSEN  
TENANTS IN COMMON 1954-1968 BOTH DECEASED.
- 5.) BRANDER INDUSTRIES INC. CALIFORNIA dba  
PACIFIC STEEL TREATING CO. 1954-1966  
BRANDER - PACIFIC INC. 1966-1967  
OLE'BURRHEAD CO. 1962-JUNE 1976  
AERO BENDING CO. JUNE 1976-NOV. 1976
- 6.) PROVIDED PREVIOUS- SEE PACIFIC STEEL TREAT-  
ING QUESTIONNAIRE.
- 7.) PROVIDED PREVIOUS- SEE PACIFIC STEEL TREAT-  
ING QUESTIONNAIRE.
- 8.) NONE
- 9.) NO
- 10.) NO
- 11.) NO
- 12.) NONE
- 13.) NONE
- 14.) PROVIDED PREVIOUS- SEE PACIFIC STEEL TREAT-  
ING QUESTIONNAIRE.
- 15.) NONE- SEE PACIFIC STEEL TREATING QUESTIONNAIRE.

## B R A N D E R   I N D U S T R I E S   I N C .

- 16.) SEE FLOW CHART
- 17.) BRANDER INDUSTRIES, INC.  
PROVIDES BOOKKEEPING/ACCOUNTING SERVICES  
TO PACIFIC STEEL TREATING CO, INC.  
BRANDER INDUSTRIES INC. PROVIDED  
BOOKKEEPING/ACCOUNTING SERVICES TO  
PACIFIC METAL STAMPINGS INC. UNTIL 1989.
- 18.) ARTICLES OF INCORPORATION & BY-LAWS ARE  
ENCLOSED FOR;  
A.) BRANDER INDUSTRIES INC. CALIFORNIA  
B.) BRANDER INDUSTRIES INC. SO. DAKOTA
- 19.) NIELS BRUUN-ANDERSEN  
DIRECTOR, PRESIDENT, 1988-PRESENT  
6829 FARMDALE AVE.  
NO. HOLLYWOOD, CA 91605  
818-983-1450  
INGE BRUUN-ANDERSEN  
TREASURER, DIRECTOR, 1988-1991  
6829 FARMDALE AVE.  
NO. HOLLYWOOD, CA 91605  
818-983-1450  
BART HACKLEY  
VICE PRESIDENT, SECRETARY, TREASURER 1988-1991
- FX-6 Personal Privacy**
- ERIK BRUUN-ANDERSEN  
VICE PRESIDENT, SECRETARY, TREASURER 1991-PRESENT  
6829 FARMDALE AVE.  
NO. HOLLYWOOD, CA 91605  
818-983-1450  
NIELS BRUUN-ANDERSEN  
OWNS ALL BRANDER INDUSTRIES INC. STOCK 10,000 SHARES.
- 20.) BRANDER INDUSTRIES INC. MINUTES (ENCLOSED)
- 21.) FEDERAL INCOME TAX RETURNS (ENCLOSED)
- 22.) 8721
- 23.) NONE
- 24.) NO





UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, Ca. 94105-3901

CERTIFIED MAIL NO. P878 533 254  
RETURN RECEIPT REQUESTED  
File Number: 111.0822  
September 8, 1992

Niels Bruun-Andersen, President  
Brander Industries, Inc.  
6829 Farmdale Avenue  
North Hollywood, CA 91605

RE: Request for Information  
Pacific Steel Treating, Inc.  
6829 Farmdale Avenue  
North Hollywood, CA 91605

Dear Mr. Bruun-Andersen:

The United States Environmental Protection Agency (EPA) and the Los Angeles Department of Water and Power are conducting an investigation of soil and groundwater contamination and threatened contamination in the San Fernando Valley. The purpose of this investigation is to determine the nature, cause, and extent of the release of hazardous substances in the area; to determine the source(s) or potential source(s) of such releases and/or potentially responsible parties; and to assess the effects of any contamination on the environment and public health.

As part of this investigation, EPA needs historical and current information from companies currently or previously located at or near the area of known or suspected contamination. EPA has reason to believe that you may be in possession of such information. Therefore, pursuant to the authority of Section 104 of CERCLA, 42 U.S.C. § 9604, and Section 3007 of RCRA, 42 U.S.C. § 6972, you are hereby requested to respond to the Information Request set forth herein.

Compliance with the Information Request is mandatory. Failure to respond fully and truthfully within twenty-five (25) days of receipt can result in enforcement action by EPA pursuant to Section 104(e) of CERCLA, as amended, and/or Section 3008 of RCRA. Each of these statutes permits EPA to seek imposition of penalties of up to twenty-five thousand dollars (\$25,000) for each day of continued noncompliance. Please be further advised that provision of false, fictitious, or fraudulent statements or representations may subject you to criminal penalties under 18 U.S.C. § 1001 or Section 3008(d) of RCRA.

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# LEASE

## GENERAL

2166-04277

THIS INDENTURE, Made the 15th day of November, 1959  
BETWEEN

*Erik and Else Bruun-Andersen, 3166 Lake Hollywood Dr., Hollywood, Cal.*

AND

*Pacific Steel Treating Co., Inc.,  
6829 Farndale Avenue  
No. Hollywood, Calif.*

Lessor (whether one or more)

Lessee (whether one or more)

WITNESSETH: That the said Lessor has leased, and by these presents does grant, demise and lease unto the said Lessee, and the said Lessee has hired and taken, and by these presents does hire and take of and from the said Lessor. *The Southerly 92' of the Northerly 247' of that portion of the East half of the West half of Lot 74 of Lankershim Ranch Land & Water Company's subdivision of the South half of Rancho Ex-Mission de San Fernando in the City of Los Angeles, Book 31, page 39 et seq. of Miscellaneous Records in the office of the County Recorder lying South of the South line of the land conveyed to Earl P. Van Denburgh and William C. Kemp by deed recorded March 1, 1946, in Book 22843, page 198, Official Records; Except the westerly 110' thereof; also except the easterly 30' thereof; Also known as 6829 Farndale Avenue, North Hollywood, Calif.*

x

with the appurtenances for the term of five (5) years, commencing  
on the 15th day of November, 1959, and ending  
on the 14th day of November, 1964, at the total  
rent or sum of Thirty Thousand (30,000.00) and no/100 Dollars,  
payable in advance on the first day of each and every  
calendar month of said term in equal sixty (60) payments of  
Five Hundred (500.00) and no/100 (lawful money of the U.S.A.) Dollars,  
*The Lessor grants the Lessee an option to renew for another 5 years with an  
adjustment of the amount of rent; the percentage change in the amount of rent to  
be the same as the percentage change in the "Consumer Price Index" using the  
latest published figures previous to Nov. 15, 1959, and Nov. 15, 1964; if these  
figures are not available a flat 10% increase may be used.*  
*Any leasehold improvement agreed upon will be for the sole expense of the Lessee;*  
(over)

should any increase in taxes take place, either due to a general rise of taxes, or due to increased assessment caused by leasehold improvements, or other reason the increase in taxes will be paid by the lessor.

AND the said Lessee hereby covenants to pay the said Lessor the said rent, herein reserved in the manner herein specified. And not to make or suffer any alteration to be made therein without the written consent of the Lessor.

AND it is agreed, that if any rent shall be due and unpaid, or if default shall be made in any of the covenants herein contained, then it shall be lawful for the Lessor to re-enter the said premises and to remove all persons therefrom.

AND THAT at the expiration of the said term or any sooner determination of this lease, the said Lessee will quit and surrender the premises hereby demised, in as good order and condition as reasonable use and wear thereof will permit, damages by the elements excepted. And if the Lessee shall hold over the said term with the consent expressed or implied, of the Lessor, such holding shall be construed to be a tenancy only from month to month.

IN WITNESS WHEREOF, the said parties have herelinto set their hands and seals the day and year first above written.

PACIFIC STEEL TREATING CO.

Erik Bruun-Andersen, lessor

Ebbe Bruun-Andersen

WHEN RECEIVED MAIL TO:

North Hollywood Office  
UNITED CALIFORNIA BANK  
7125 Lankershin Blvd.  
North Hollywood, California

6/5/06

9442

No. ....

**LEASE**  
GENERAL

To

DATE....., 19.....

DO NOT RECORD

This standard form covers most usual problems in the field indicated. Before you sign, read it, fill in all blanks, and make changes proper to your transaction. Consult a lawyer if you doubt the form's fitness for your purpose.

## II

### COMPLETION OF PREMISES

Lessor and Lessee have agreed to certain plans and specifications for construction of an industrial building, parking area and other appurtenances which are to be included in the demised premises. Said plans are a part of this Lease, marked Exhibit A and attached hereto.

Lessor covenants and agrees to construct the industrial building, parking area and other appurtenances as described in Exhibit A.

Lessor further covenants and agrees that said building, parking area and other appurtenances will be completed by the 1st day of March, 1962. Said building, adjacent parking area and other appurtenances shall be deemed ready for occupancy upon completion of the premises described in Exhibit A followed by the recordation of a valid notice of completion thereof and upon condition that all of the required building inspections have been made and approvals granted.

Lessee may terminate this Lease at its sole option if said premises are not ready for occupancy by March 20, 1962.

## III

### TERM

The term of this Lease shall commence at 12:01 A.M., of the morning of the 1st day of March, 1962, on condition that the premises are ready for occupancy as defined in paragraph II supra. In the event that the premises are not ready for occupancy on March 1, 1962, the term of this Lease shall commence at 12:01 A.M., on the morning of the first day after March 1, 1962, that the premises are ready for occupancy.

## IV

### RENEWAL OPTION

Lessee is hereby granted an option to renew this Lease for a

further period of five years from and after the expiration of the original term at a rental of \$445.00 per month, but otherwise upon the same terms and conditions as herein set forth. Written notice of Lessee's intention to renew this Lease shall be given to Lessor not less than ninety (90) days prior to the expiration of the original term of this Lease.

V

RENTALS

Lessee will pay as rental for said demised premises the sum of \$405.00 per month in advance on the first day of each and every calendar month during the term of this Lease. Said payments are to be made to Lessor, their heirs or assigns in the City of Los Angeles, State of California, or at such other address as Lessor, their heirs or assigns may designate in writing from time to time.

VI

ADVANCE RENTAL

Concurrently with the execution of this Lease, Lessee has paid to Lessor and Lessor acknowledges receipt thereof from Lessee the sum of \$810.00 as and for consideration of the execution of this Lease, which \$810.00 shall be credited by the Lessor to the rental for the last two months of the term of this Lease.

VII

MAINTENANCE, REPAIRS AND ALTERATIONS

Lessee agrees at its sole cost and expense to maintain the leased premises in good condition and repair and to make all reasonably necessary repairs thereto, excluding, however, repairs and maintenance of the exterior walls and roof of the aforementioned building, which said portion of the premises Lessor shall be responsible to repair as needed within a reasonable time after notice given by Lessee to Lessor of the need for such repairs.



It is agreed that Lessee may install trade fixtures, shelving and temporary partitions in conformance with all laws and ordinances applicable thereto, and Lessee shall have the right to remove same at any time before the end of the Lease; provided that Lessee shall repair any damage to the premises caused by such removal so as to place the premises in as good condition as they were prior to installation, reasonable wear and tear excepted.

#### VIII

##### UTILITIES AND CHARGES

Lessee will pay or cause to be paid before delinquency during the term hereof all charges for gas, electricity, water, telephone, lighting, heating and other utilities services ordered by Lessee or consumed upon the leased premises or upon any part thereof.

#### IX

##### TAXES

It is understood and agreed that Lessor shall be liable for and shall pay at least ten days before delinquency all real estate taxes which may be assessed or levied by any governmental authority upon said demised premises. However, in the event the real estate taxes of the demised premises shall be increased in excess of the amount assessed for the first full fiscal year ending June 30th and commencing after the entry into possession by Lessee of the demised premises, then Lessee shall pay to Lessor, not later than thirty (30) days prior to the due date of each installment thereof, a sum equal to the increase of said taxes.

#### X

##### ASSIGNMENT AND SUBLEASE

Lessee may assign or sublease the premises, only with the written consent of Lessor. Provided, however, Lessor shall not unreasonably with-

hold their consent to such proposed assignment or sublease.

## XI

### COSTS AND ATTORNEY FEES

In the event of any action at law or in equity between Lessor and Lessee to enforce any of the provisions or rights hereunder, the unsuccessful party to such litigation covenants and agrees to pay to the successful party all costs and expenses including reasonable attorney fees to be fixed by the court, and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorney fees shall be included in and as a part of such judgment.

## XII

### SERVICE OF NOTICES

Any and all notices or demands from or by Lessor to Lessee, or Lessee to Lessor, shall be in writing. They shall be served either personally or by registered mail or by telegraph. If served personally, service shall be conclusively made at the time of service. If served by registered mail, service shall be deemed conclusively made forty-eight hours after the deposit thereof in the United States Mail, postage prepaid, addressed to the party to whom such notice or demand is to be given. If served by telegraph, service shall be conclusively deemed made at the time that the telegraphic agency shall confirm to the sender delivery thereof to the addressee.

Any notice or demand to Lessor may be given at:

6829 Farmdale Avenue, North Hollywood, California.

Any notice or demand to Lessee may be given at:

6837 Farmdale Avenue, North Hollywood, California.

Either party may from time to time change the place for the address of service as aforesaid to any other address in the United States by

written notice to the other given in the manner hereinabove prescribed.

### XIII

#### EMINENT DOMAIN

In the event the whole of the demised premises should be condemned by the exercise of eminent domain, or purchased in lieu of such condemnation, this Lease shall terminate when possession is taken under such condemnation or purchase, and the rent shall be adjusted as of that date. If less than all of the demised premises is so taken or purchased and Lessee can, in Lessee's opinion, reasonably operate its business in the premises not taken or purchased, this Lease shall continue in effect and the monthly rental payable by Lessee shall be reduced to the same proportion as the area of the premises taken or purchased bears to the total area of the leased premises immediately prior to such taking over or purchase.

### XIV

#### DESTRUCTION OF PREMISES

Should the demised premises or the building of which the demised premises is a part or any portion thereof, become destroyed or damaged by fire or other casualty, the Lessor hereby agrees to repair said damage within a reasonable time, provided, however, if said damage shall exceed fifty per cent of the usable floor area of said building, either party may at its sole option cancel this Lease.

### XV

#### RIGHT OF REENTRY

The right is reserved to the Lessor to enter upon said premises at all reasonable times and to make such replacements and repairs thereto as the Lessor may see fit, and, during the last sixty days of the term of this Lease to display on said premises a notice that said premises are for rent

or sale and to show said premises to prospective lessees or buyers.

XVI

SUCCESSORS IN INTEREST

This Lease, and each and all of the terms, provisions, conditions hereof, shall apply to and bind the heirs, legatees, devisees, administrators, executors, assignees and other successors in interest of whatever nature of the parties.

XVII

TIME OF THE ESSENCE

Time is of the essence of this Lease.

XVIII

RIGHT OF FIRST REFUSAL

In consideration of the mutual covenants and agreements herein contained and other good and sufficient consideration, Lessor agrees that Lessor will not enter into a binding agreement for the sale of all or a part of the demised premises except on the following terms and conditions:

(a) That Lessor receive a bona fide offer or acceptance from a third party;

(b) That Lessor give written notice to Lessee of said bona fide offer or acceptance;

(c) That Lessee shall have thirty days from the date of receipt of such notice within which to notify Lessor of his intention to purchase said premises on the same terms and conditions as contained in the said offer or acceptance;

(d) In the event that Lessee shall fail to notify Lessor of Lessee's intention to purchase the premises as aforesaid, then Lessor may proceed to sell said premises to said third party on the terms or conditions of the offer

or acceptance, and not otherwise.

IN WITNESS WHEREOF, the parties hereto have affixed their  
signatures the day, month and year first above written.

Erik Brunttun

Erik Brunttun

OLE BURRHEAD, INC.,

By Freddie Smith, Pres.

LEASE

THIS LEASE is made and executed in duplicate this 8th day of January, 1962, by and between ERIK BRUUN-ANDERSEN and ELSE MARGRETHE ANDERSEN, husband and wife, party of the first part, hereinafter called Lessor, and OLE BURRHEAD, INC., a California corporation, party of the second part, hereinafter called Lessee,

WITNESSETH

I

DEMISE

Lessor in consideration of the rentals and the mutual covenants, agreements and conditions hereinafter contained, does hereby lease, let and demise unto Lessee, and Lessee does hereby lease, rent and hire from Lessor, those certain premises, with appurtenances, located in the City of Los Angeles, State of California, known and described as follows; to wit:

The South 50' of the North 155' of that portion of the East 1/2 of the West 1/2 of Lot 74 of the Lankershim Ranch Land and Water Co's. Subdivision of the East 12,000 acres of the South 1/2 of the Rancho Ex-Mission of San Fernando, in the City of L.A., as per map recorded in Book 31, pg. 30 of Miscellaneous Records, in the office of the County Recorder of said County, lying South of the South line of the land conveyed to Earl P. Van Denburgh and William C. Kemp, recorded March 1, 1946 in Book 22843, Page 198, Official Records.

Excepting therefrom the East 30'

Also excepting therefrom that portion thereof included within the South 400' of the West 110' of the East Half of the West Half of said Lot, said 400' being measured from the North line of Vanowen Street, 50' wide, as shown on said map.

Premises also known as 6837 Farndale Avenue, North Hollywood, California.

Description supplied by Lessor and relied upon by Lessee.

LEASE

THIS LEASE, executed in triplicate at Los Angeles County, California, effective on the 1st day of July, 1977, by and between ELSE BRUUN-ANDERSEN, an individual and ELSE BRUUN-ANDERSEN, Trustee under Declaration of Trust dated October 9, 1967, hereinafter referred to as "LESSOR", and BRANDER INDUSTRIES, INC., a California corporation, hereinafter referred to as "LESSEE".

WITNESSETH

I

PREMISES LEASED

Lessor hereby leased to Lessee, and Lessee hires from Lessor, those certain premises situated in the City of Los Angeles, County of Los Angeles, State of California, and more particularly described as the improved property located at 6829 Farmdale Avenue, 6837 Farmdale Avenue, 11489 and 11491 Vanowen Street, North Hollywood, California, together with all improvements thereon and appurtenances thereunto belonging.

II

TERM AND RENTAL

A. Term

The term of this Lease shall be for five (5) years, commencing on the 1st day of July, 1977, and ending on the 30th day of June, 1982.

B. Monthly Rental

The rental for said premises which Lessee agrees to pay to Lessor without deduction or offset, prior notice or demand, at such places as may be designated from time to time by Lessor, shall be for the first thirty (30) months of the term of this Lease Three Thousand Six Hundred Dollars (\$3,600.00) per month, payable in advance of the first day of each and every

calendar month commencing on the 1st day of July, 1977, and ending on the 31st day of December, 1979. The rental rate for the next thirty (30) months of the term of this Lease, and thereafter for each two and one-half ( $2\frac{1}{2}$ ) year renewed terms (should Lessee exercise the options to renew the Lease as provided in Paragraph III hereof) shall be increased by the lesser of  $12\frac{1}{2}\%$  (twelve and one-half percent) or upon the increase in the "Consumer Price Index" as hereinafter defined. The monthly rental for each such two and one-half ( $2\frac{1}{2}$ ) year term shall be increased or decreased in proportion to whatever increase or decrease is shown by the Los Angeles-Long Beach Area Consumer Price Index, published monthly by the Bureau of Labor Statistics, Department of Labor, United States Government, for the first month of each two and one-half ( $2\frac{1}{2}$ ) year term as compared with the Consumer Price Index at June 30, 1977, which was 179.5, but in no event is the increase to exceed  $12\frac{1}{2}\%$  (twelve and one-half percent).

In the event that at any time during the term of this Lease the Department of Labor discontinues the publication of said Consumer Price Index, or adopts a different base for the index, then the parties hereto shall agree upon a substitute index, or means of economic comparison, whether derived from governmental or private source. The figure thus arrived at shall constitute and be substituted for the monthly rental figure previously being paid per month from and after the time of said adjustment, and until the termination of this lease and said adjusted monthly rental figure shall be in full force and effect and binding upon the parties to this Lease. In no event however shall the monthly rental under this Lease at any time be less than Three Thousand Six Hundred Dollars (\$3,600.00) per month.



C. Lessee to Pay Taxes

In addition thereto, Lessee agrees to pay all taxes levied upon or assessed against said property or any part thereof including any increases in said taxes imposed by reason of improvements or of alterations to the leased premises or otherwise. Lessee agrees to pay promptly said taxes when due and to hold Lessor free and harmless from any and all obligations, penalties or other liabilities in connection with taxes upon said property.

III

LESSEE'S OPTION TO RENEW LEASE

Lessee, at its option, shall be entitled to two (2) successive extensions of this Lease for an additional term of five (5) years each, for the same rental and upon the same terms and conditions as are set forth in this Lease. Said options shall be exercised by giving written notice thereof to the Lessor in the manner provided in Paragraph XXI hereof, at least ninety (90) days before the expiration of the term of this Lease, or the expiration of the first extended term of this Lease, as the case may be.

IV

MAINTENANCE, REPAIRS AND ALTERATIONS

Lessee agrees at its sole cost and expense to maintain the leased premises in good condition and repair and to make all reasonable necessary repairs thereto. It is agreed that Lessee may install trade fixtures, shelving and temporary partitions in conformance with all laws and ordinances applicable thereto, and Lessee shall have the right to remove same at any time before the end of the Lease; provided that Lessee shall repair any damage to the premises caused by such removal so as to place the premises in as

good condition as they were prior to installation, reasonable wear and tear excepted. Any pits and/or service trenches must be filled and capped at floor level with a minimum of 3½" concrete.

V

ASSIGNMENT AND SUBLETTING

Lessee shall not assign, mortgage or pledge this Lease, or any interests therein without the prior written consent of the Lessor. Lessee may, however, at its discretion and responsibility, sublet the premises or any part thereof, or any right or privilege appurtenant thereto, and permit other persons to occupy or use the premises, or any portion thereof, without first obtaining the consent of Lessor. Any such subletting will run concurrent with this Lease and all sub-leases will include terms and conditions imposing on such sublessees similar duties and obligations to those contained in this Lease. This Lease shall not, nor shall any interest therein, be assignable, as to the interest of Lessee, by operation of law without the written consent of Lessor. Lessor's consent to any such assignments, mortgage or pledge, or any subletting, shall not relieve Lessee from any obligation under this Lease.

VI

WASTE

Lessee shall not commit, or suffer to be committed, any waste upon said premises, or any nuisance, or other act or thing which may disturb the quiet enjoyment of this property by persons legally entitled to use or occupy said property.

VII

COMPLIANCE WITH LAWS

Lessee shall, at his sole cost, comply with all of the requirements of all Municipal, State and Federal authorities now in force,

or which may hereafter be in force, pertaining to the use of said premises, and shall faithfully observe in said use all Municipal ordinances and State and Federal statutes now in force or which may hereafter be in force. The judgment of any Court or competent jurisdiction, or the admission of Lessee in any action or proceeding against Lessee, whether Lessor be a party thereto or not, that Lessee has violated any such ordinance or statute in said use, shall be conclusive of that fact as between Lessor and Lessee.

Lessee shall have the right to contest by appropriate legal proceedings, without cost or expense to Lessor, the validity of any law, ordinance, or regulation of the nature herein referred to, if the terms of such law, ordinance, or regulation compliance therewith may be legally held in abeyance without subjecting Lessor to any liability of whatsoever nature for the failure so to comply therewith, in which event compliance therewith may be postponed until the final determination of any such proceeding. Lessee, upon commencing such contest, shall furnish to Lessor a document guaranteeing that Lessor and the Lessor's interest in the Leased Land shall be saved harmless from any penalty, damage, charge or claim resulting from such contest.

#### VIII

##### UTILITIES

Lessee shall pay when due, all water, gas, heat, light, power, telephone service and all other services and utilities supplied to or to be supplied to said premises.

#### IX

##### LESSOR'S RIGHT OF ENTRY

Lessee shall permit Lessor and his agents to enter into and upon said premises at all reasonable times for the purpose of

inspecting the same, or for the purpose of posting notices of non-liability for alterations, additions, or repairs or for the purpose of placing upon the property in which the said premises are located any usual or ordinary "for sale" signs, without any rebate of rent and without any liability to Lessee for any loss of occupation or quiet enjoyment of the premises thereby occasioned; and shall permit Lessor, at any time within ninety (90) days prior to the expiration of this Lease, to place upon said premises any usual or ordinary "to let" or "to lease" signs, providing that Lessee has not exercised its options to renew this Lease as provided in Paragraph III above.

X

INSURANCE

A. Public Liability and Property Damage Insurance

Lessee shall, throughout the entire period of occupancy of the subject premises by Lessee, obtain, pay the premiums for and maintain in full force and effect one or more insurance policies indemnifying the Lessor as well as the Lessee, from any and all judgments, claims, damages, or expense whatsoever resulting from personal injury, death, property damage or otherwise, arising or occurring upon or in connection with the demised premises, or the use, misuse or abuse thereof by Lessee and/or any agent, servants, employee, licensee, invitee, subtenant, assignee or guest of Lessee, or in connection with the negligence of Lessee, its agents, servants and employees, or that of its sub-tenants, assignees and/or their respective agents, servants and employees.

Said policy or policies shall be written by one or more insurance companies qualified and authorized to write such in-

surance in the County of Los Angeles, State of California, and shall accord coverage and have limits not less than Five Hundred Thousand Dollars (\$500,000.00) for injuries to and/or deaths of one or more persons in any one accident or event, and One Hundred Thousand Dollars (\$100,000.00) for damage to and/or loss of property resulting from one accident or event. Said policy or policies shall contain a cross-liability endorsement naming Lessor as party insured thereby and shall also contain a provision that written notice of cancellation or of any material change in said policy or policies shall be delivered to Lessor at least Thirty (30) days in advance of the effective date thereof. Lessor shall be provided with a fully conformed copy of such policy or policies.

B. Fire Insurance

Lessee shall obtain, pay the premium for and maintain in full force and effect during the entire term of this Lease, one or more policies of fire insurance, with extended coverage endorsement, or its equivalent, insuring for Lessor's and Lessee's account and benefit, all of the demised premises in the amount of Five Hundred Thousand Dollars (\$500,000.00).

Lessee shall obtain, pay the premiums for and maintain in full force throughout the entire period of occupancy of the demised premises by Lessee or its assignees and sub-tenants one or more fire and extended coverage insurance policies covering leasehold improvements, fixtures, furnishings and merchandise located upon the demised premises. Lessee shall obtain and furnish Lessor with certificates of all such insurance. Said policies shall contain a provision that written notice of cancellation or of any material change in said policy

or policies shall be delivered to Lessor at least Thirty (30) days in advance of the effective date thereof. Upon the exercise of the options to extend this Lease as set forth in Paragraph III above, the amount of said coverage shall be increased in proportion to the increase in the reasonable value of the building and improvements at the time said option is exercised.

## XI

### MECHANIC'S LIENS

1. Lessee shall not suffer or permit to be enforced against the Leased Land, or any part thereof, any mechanic's, materialman's contractor's, or subcontractor's liens arising from or any claim for damage growing out of the work or any construction, repair, restoration, replacement, or improvement, or any other claim of demand howsoever the same may arise, but Lessee shall pay or cause to be paid all of such liens, claims, or demands before any action is brought to enforce the same against the Land; and Lessee agrees to indemnify and hold Lessor and said Land free and harmless from any and all liability for any and all such liens, claims, and demands, together with reasonable attorney's fees and all costs and expenses in connection therewith.

2. If Lessee shall in good faith contest the validity of any such lien, claim or demand, the Lessee shall, at its expense, defend itself and Lessor against the same and shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against Lessor or the Leased Land, upon the condition that if Lessor shall require, Lessee shall furnish to Lessor a surety bond satisfactory to Lessor in an amount equal to such contested lien, claim, or demand indemnifying Lessor against

liability for the same, and holding the Leased Land free from the effect of such lien or claim or if Lessor shall request, Lessee shall procure and record a bond freeing the Leased Land from the effect of such lien or claim or action thereon.

3. If Lessee fails to discharge such lien or furnish a bond against the foreclosure thereof as provided by the statutes of the State of California, Lessor may, but is not obligated, to discharge the same or take such other action as Lessor deems necessary to prevent a judgment of foreclosure upon said lien from being executed against the property, and all costs and expense, including reasonable attorney's fees incurred by Lessor, shall be repaid by Lessee upon demand, and if unpaid may be treated as additional rent.

4. Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, expressed or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration, or repair of or to the Leased Land, and buildings or improvements thereof, or any part thereof. Lessor shall have the right at all reasonable times to post and keep posted on the Leased Land such notices of nonresponsibility as Lessor may deem necessary for the protection of Lessor and the fee of the Leased Land from mechanic's and materialman's liens.

#### XIII

#### DEFAULTS

The occurrence of any of the following shall constitute a material default breach of this Lease:

- A. Vacation or abandonment of the premises by Lessee;
- B. A failure by Lessee to pay the rent, or to make any other payment required to be made by Lessee hereunder, where such failure continues to Fifteen (15) days after written notice thereof by Lessor to Lessee;
- C. A failure by Lessee to observe or perform any other provision of this Lease to be observed or performed by Lessee, where such failure continues for Thirty (30) days after written notice thereof by Lessor to Lessee; provided, however, that if the nature of such default is such that the same cannot reasonably be cured within such Thirty (30) day period, Lessee shall not be deemed to be in default if Lessee shall within such period commence such chore and thereafter diligently prosecute the same to completion;
- D. The making by Lessee of any general assignment for the benefit of creditors; the filing by or against Lessee of a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Lessee, the same is dismissed within Sixty (60) days of the date of filing said petition, or such later date as is set by the Court for hearing and decision on said petition).
- E. The appointment of a Trustee or receiver to take possession of substantially all of Lessee's assets located at the premises or of Lessee's interest in this Lease, where possession is not restored to Lessee within Thirty (30) days; or the attachment, execution or other judicial seizure of substantially all of Lessee's assets located at the premises or of Lessee's interest in this Lease where such seizure is not discharged within Thirty (30) days.



## REMEDIES OF LESSOR

In the event of any such material default or breach by Lessee, Lessor may at time thereafter, at Lessor's option and without limiting the Lessor in the exercise of any other right or remedy which Lessor may have by reason of such default or breach, with or without notice or demand:

- A. Re-enter the premises, with or without process of law and take possession of the same, and of all equipment and fixtures of Lessee therein, and expel and remove Lessee and all other parties occupying the premises, and, without terminating this Lease, at any time, and from time to time, re-let the premises or any part thereof for the account of Lessee, for such term, upon such conditions and at such rental as may be reasonable under the circumstances then prevailing. In such re-letting and applying against any amounts due from Lessee hereinafter, (including, without limitation, such expenses as Lessor may have incurred in recovering possession of the premises placing the same in good order and condition, repairing the same for re-letting and all other expenses, commissions and charges, including reasonable attorney's fees, which may have been paid or incurred in connection with such repossession and re-letting). Lessor may execute any lease made pursuant hereto in Lessor's name or in the name of Lessee, and the tenant thereunder shall be under no obligation to see to the application by Lessor of any rent thereunder. Whether or not the premises are re-let, Lessee shall pay Lessor, all amounts required to be paid by the Lessee up to the date of Lessor's re-entry and thereafter Lessee shall pay Lessor until the end of the term hereof, the amount of all rent and other charges required to

be paid by Lessee hereunder, less the proceeds of such re-letting during the term hereof, if any, after payment of Lessor's expense as provided above. Such payment by Lessee shall be due at such times as are provided elsewhere in this Lease, and Lessor need not wait until the termination of this Lease to recover them by legal action or otherwise. Lessor shall not by any re-entry or other act be deemed to have terminated this Lease or the liability of Lessee for the total rent hereunder unless Lessor shall give Lessee written notices of Lessor's election to terminate this Lease.

- B. Give written notice to Lessee of Lessor's election to terminate this Lease, re-enter the premises with or without process of law and take possession of the same and of all equipment and fixtures therein, and expel or remove Lessee and all other parties occupying the premises, using such force as may be reasonably necessary to do so, without being liable to any prosecution for said re-entry or for the use of such force. In the event Lessor shall thereupon be entitled to recover from Lessee the worth, at the time of such termination, of the excess, if any, of the rent and other charges required to be paid by Lessee hereunder for the balance of the term hereof (if this Lease had not been so terminated) over the then reasonable value of the premises for the same period. Whenever Lessor shall re-enter the premises as provided herein, Lessor may remove any property of Lessee from the premises and store same elsewhere for the account, and at the expense and risk, of Lessee, and if Lessee shall fail to pay the cost of storing any such property after it has been stored for a

period of Ninety (90) days or more, Lessor may sell any or all of such property at public or private sales, in such manner and in such times and places as Lessor, in its sole discretion, may deem proper, without notice to or demand upon Lessee, for the payment of any part of such charges or the removal of any such property, and shall apply to proceeds of such sale: first, to the cost and expenses of such sale, including reasonable attorney's fees actually incurred; second, to the payment of the cost of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Lessor from Lessee under any of the terms hereof; and fourth, the balance, if any, to Lessee.

Lessee hereby waives all claims for damages that may be caused by Lessor's re-entering and taking possession of the premises or removing and storing the property of Lessee as herein provided, and will save Lessor harmless from loss, cost or damages occasioned Lessor thereby, and no such re-entry shall be considered or construed to be a forcible entry.

#### XV

#### SURRENDER OR MUTUAL CANCELLATION OF LEASE

The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not effect the sub-leases or sub-tenancies and Lessor must honor the terms and conditions of such sub-lease or sub-tenancy.

#### XVI

#### COSTS AND ATTORNEYS' FEES

In the event either Lessor or Lessee shall bring an action or proceeding for damages for an alleged breach of any provision of this Lease, to recover rents or other sums due hereunder, to enforce, protect or establish any right or remedy of either party,

the prevailing party shall be entitled to recover as a part of such action or proceedings reasonable attorney's fees and Court costs.

#### XVII

##### WAIVERS BY LESSOR

The waiver by Lessor of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained.

#### XVIII

##### LESSOR'S AGREEMENT NOT TO SELL PREMISES TO COMPETITOR OF LESSEE

During the term of this Lease, or any extension thereof, and provided that Lessee is not in default under the terms and provisions of this Lease, Lessor agrees that it shall not knowingly sell this property to any person, firm or corporation which, at the time of said sale, directly or indirectly owns, manages, operates, joins, controls or participates in or is connected as a principal contractor, partner or otherwise with any competitor of Lessee in the fields of metal stampings, heat treating and brazing.

#### XIX

##### LESSEE'S RIGHT TO FIRST REFUSAL REGARDING SALES LEASED PROPERTY

During the term of this Lease, or any extensions thereof, and provided that Lessee is not then in default under the terms and provisions of this Lease, Lessor shall be subject to the restrictions and options hereinafter in this paragraph set forth:

In the event Lessor desires to sell the Leased property or any portion thereof, the Lessee shall have the right of first refusal to purchase said real property. Such right of first refusal, and any purchase pursuant thereto shall be accorded, and in the event of exercise of the right, shall be implemented in the following manner:

A. Lessor shall give written notice to Lessee of such intended sale specifying the name of the proposed purchaser or purchasers, the description of the real property intended to be sold, the price of the sale, and the terms of intended sale, if other than cash, and such notice is to be signed by the proposed purchaser, acknowledging the accuracy of the information contained therein; and Lessor shall further accompany this written notice with evidence of receipt of ten per cent (10%) of the sales price representing earnest money paid by the proposed buyer.

B. Within sixty (60) days from the time Lessee shall have received such notices from Lessor, Lessee shall have the right to purchase said real property for the price, and on the same terms and conditions set forth in the proposed Notice of Sale by Lessor to Lessee. This option must be exercised in writing in the manner provided in Paragraph XX of this Lease. In the event Lessee fails to exercise this option, Lessor may sell said real property to the proposed purchaser or purchasers specified in her notice to Lessee for the price and on the terms, if other than cash, specified in the notice from Lessor to Lessee.

#### XX

#### NOTICES

Any option which may be exercised and any notice which is required or may be given under any of the provisions of this Lease shall, in each instance, be the subject of a writing which shall either be personally delivered or transmitted by registered or certified mail, postage pre-paid, addressed in accordance with Paragraph XXI hereof.

XXI

ADDRESSES AND CHANGES OF ADDRESS

For the purpose of the exercise of any option or the giving of any notice required or which may be given under the terms of this Lease, the following addresses shall apply to the respective parties (other than in cases of personal delivery):

ELSE BRUUN-ANDERSEN, individually and as  
Trustee under Declaration of  
Trust dated October 9, 1967

**FX-6 Personal Privacy**

BRANDER INDUSTRIES, INC.  
6829 Farmdale Avenue  
North Hollywood, Calif. 91605

Change of address may be effected by notice from the party desiring to make such a change to the other party, in which case the last address set forth in such a notice shall be the one to be used.

XXII

SURRENDER AND REMOVAL

1. Upon the expiration of the term of this lease or any earlier termination thereof, Lessee shall surrender to Lessor possession of the Leased Land and all improvements thereon.

2. If Lessee shall not then be in default under any of the covenants and conditions hereof, Lessee may remove or cause to be removed all movable furniture, furnishings and equipment installed in the buildings on the Land. Any of said personal property that is not removed from said premises within thirty (30) days after the date of any termination of this lease thereafter shall belong to Lessor without the payment of any consideration.

## EMINENT DOMAIN

1. The term "total taking" as used in this Article means the taking of the entire Leased Land under the power of eminent domain or a taking of so much of such land as to prevent or substantially impair the conduct of Lessee's business thereon. The term "partial taking" means the taking of a portion only of such Land which does not constitute a total taking as above defined.

2. If during the term hereof there shall be a total taking by public authority under the power of eminent domain, then the leasehold estate of Lessee in and to the Leased Land shall cease and terminate as of the date the actual physical possession thereof shall be so taken.

3. If during the Lease Term there shall be a partial taking of the Leased Land which would render it economically unfeasible for the Lessee to continue to use the subject premises for any reasonable purposes encompassed within the scope of Lessee's business activities, this Lease shall terminate as to the portion of the Land effecting the subject business activity, upon the date upon which actual possession of the portion of the Land is taken pursuant to the eminent domain proceedings but the Lease shall continue in force and effect as to the remainder of the Land. The basic rental payable by Lessee for the balance of the term shall be abated in an amount to be agreed upon by the parties hereto.

4. All compensation and damages awarded for the taking of the Leased Land or any portion thereof shall, except as otherwise herein provided, belong to and be the sole property of Lessor, and Lessee shall not have any claim or be entitled to any award for diminution in value of its leasehold hereunder or for the value of any unexpired term of this Lease; provided, however, that Lessee

shall be entitled to any award that may be made for the taking of or injury to Lessee's improvements, or on account of any cost or loss Lessee may sustain in the removal of Lessee's fixtures, equipment and furnishings, or as a result of any alterations, modification or repairs which may be reasonably required by Lessee in order to place the remaining portion of the Leased Land not so condemned in a suitable condition for the continuance of Lessee's tenancy.

5. If this Lease is terminated, in whole or in part, pursuant to any of the provisions of this Article, all rentals and other charges payable by Lessee to Lessor hereunder and attributable to the Leased Land taken, shall be paid up to the date upon which actual physical possession shall be taken by the condemnor, and the parties shall thereupon be released from all further liability.

#### XXIV

#### BINDING ON SUCCESSIONS IN INTEREST

Subject to the provisions hereof relating to assignment, mortgaging, pledging and subletting, this Lease is intended to and does bind the heirs, executors, administrators, successors and assigns of any and all parties hereto.

#### XXV

#### TIME OF THE ESSENCE

Time is of the essence of this Lease.

#### XXVI

All questions with respect to the construction of this Lease, and the rights and liabilities of the parties thereto, shall be governed by the laws of the State of California.



## XXVII

## ENTIRE AGREEMENT

This Lease contains the entire Agreement of the parties hereto, and supersedes any prior written or oral agreements between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto relating to the subject matter contained in this Lease, which are not fully expressed herein.

Effective on the 1st day of July, 1977, at Los Angeles, CA.

Executed on this 20 day of

February, 1978, at North  
Hollywood, Calif.

LESSOR:

Else Bruun-Andersen  
ELSE BRUUN-ANDERSEN, individually

Else Bruun-Andersen, Trustee  
ELSE BRUUN-ANDERSEN, Trustee

Executed on this 20 day of

February, 1978, at North  
Hollywood, Calif.

LESSEE:

Brander Industries, Inc.  
BRANDER INDUSTRIES, INC., President

William A. Brander, Jr.  
BRANDER INDUSTRIES, INC., Secretary

(SEAL)

ADDENDUM TO LEASE

THIS ADDENDUM is to the lease executed in triplicate at Los Angeles County, California, effective on the 1st day of July, 1977, by and between ELSE BRUUN-ANDERSEN, an individual and ELSE BRUUN-ANDERSEN, Trustee under Declaration of Trust dated October 9, 1967, hereinafter referred to as "LESSOR", and BRANDER INDUSTRIES, INC., a California corporation, hereinafter referred to as "LESSEE".

WHEREAS the parties hereto have entered into this lease for a period of five years, and the Lessee has the option to renew this lease for two additional periods of five years each;

AND WHEREAS the original lease stipulates a total monthly rental at the inception of the lease of Three Thousand Six Hundred Dollars (\$3,600.00), to be subsequently adjusted thereafter in two and one-half (2½) year intervals;

AND WHEREAS this gross rental is for three separate premises;

AND WHEREAS it is the desire of each of the parties to this lease to allocate a specific amount of this gross rental to each of these premises;

NOW THEREFORE it is agreed that the stipulated basic monthly rental as set forth in the lease be allocated to each of the premises as follows:

11489-11491 Vanowen St.	\$ 2000
6837 Farmdale	\$ 555
6829 Farmdale	\$ 1045
Total	\$ 3600.00

and such amount as herein allocated shall be increased or decreased at each two and one-half (2½) year intervals as set forth in the original lease document.

This Addendum is only to clarify the original lease agreement, and does not change any of the terms and conditions included therein.

Executed on this 7<sup>th</sup> day of  
July, 1980, at Los  
Angeles, Calif.

Executed on this 11<sup>th</sup> day of  
September, 1980, at Los  
Angeles, Calif.

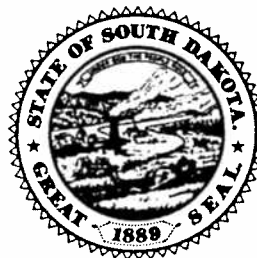
LESSOR:  
Else Bruun Andersen  
ELSE BRUUN-ANDERSEN, individually

ELSE BRUUN-ANDERSEN, Trustee

LESSEE:  
[Signature]  
BRANDER INDUSTRIES, INC., President  
[Signature]  
BRANDER INDUSTRIES, INC., Secretary



STATE OF SOUTH DAKOTA  
Secretary of State



Certificate Of Incorporation  
Business Corporation

I, JOYCE HAZELTINE, Secretary of State of the State of South Dakota, hereby certify that  
duplicate originals of the Articles of Incorporation of .....

.....BRANDER INDUSTRIES, INCORPORATED.....

duly signed and verified, pursuant to the provisions of the South Dakota Business Corporation Act,  
have been received in this office and are found to conform to law.

ACCORDINGLY and by virtue of the authority vested in me by law, I hereby issue this  
Certificate of Incorporation

of .....BRANDER INDUSTRIES, INCORPORATED.....

.....  
and attach hereto a duplicate original of the Articles of Incorporation.



IN TESTIMONY WHEREOF, I have hereunto  
set my hand and affixed the Great Seal of the  
State of South Dakota, at Pierre, the Capital,  
this .....first.....day of

.....September.....A.D. 19. 88....

.....*Joyce Hazeltine*.....  
Secretary of State

.....  
Deputy

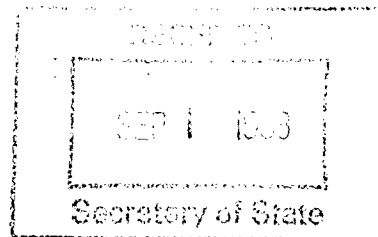
Filed this 1st day of  
September, 1988

*Joyce Hazelton*  
SECRETARY OF STATE

ARTICLES OF INCORPORATION

FOR

BRANDER INDUSTRIES, INCORPORATED



I, the undersigned natural person of lawful age, acting as the incorporator under the South Dakota Business Corporation Act, adopt the following Articles of Incorporation for such corporation:

FIRST

The name of the corporation is Brander Industries, Incorporated.

SECOND

The period of its duration is perpetual.

THIRD

The purpose or purposes for which the corporation is organized are to engage in:

(a) the primary business in which the corporation intends to initially engage is to operate a metal shop, heat treating metals, fabricating metals, acting as manufacturer's representative in selling and assembling and fabricating metal and metal products;

(b) to own, operate, maintain, manage and equip a shop for fabricating, storage, treating, sale and assembly of personal property of every character and nature;

(c) to invest, design, develop, assemble, build, construct, fabricate, manufacture, buy, import, lease as lessee and otherwise acquire, to own, operate, maintain, manage, equip, improve, repair, alter and otherwise use, enjoy and deal with personal property, to mortgage, deed in trust, pledge and otherwise encumber, and to sell, export, lease as lessor and otherwise dispose of machinery, metals, aircraft parts and aviation facilities of all kinds, including, without limiting the generality of the foregoing language, aircraft carriers and transports; factories, repair stations and shops and transports; factories, repair stations and shops, laboratories, schools, stores, offices, plants and works, and all other facilities and equipment incidental to the business of this corporation;

(d) to purchase, acquire, own hold, use, lease (either as lessor or lessee), grant, sell, exchange, subdivide, mortgage, convey in trust, manage, improve, construct, operate and generally deal in any and all real estate, improved or unimproved, stores, office buildings, manufacturing plants and other buildings, and any and all other pro-

perty of every kind or description, real, personal and mixed, and wheresoever situated, in any state of the United States, the District of Columbia, territories and colonies of the United States, or foreign countries;

(e) to enter into make, perform and carry out contracts of every kind for any lawful purpose without limit as to amount, with any person, firm, association or corporation, municipaltiy, county, parish, state, territory, government or other municipal or governmental subdivision;

(f) to become a partner (either general or limited or both) and to enter into agreements of partnership, with one or more other persons or corporations, for the purpose of carrying on any business whatsoever which this corporation may deem proper or convenient in connection with any of the purposes herein set forth or otherwise, or which may be calculated, directly or indirectly, to promote the interests of this corporation or to enhance the value of its property or business;

and such other businesses as shall be deemed advantageous by the management of the company; and to be a promoter, partner, member, associate or manager of any partnership, joint venture, trust or other enterprise and to be a trustee and to receive property by will or gift. Nothing herein shall take away or limit any of the

powers granted to the company under the South Dakota Business Corporation Act.

FOURTH

The aggregate number of shares which the corporation shall have authority to issue is 100,000 shares each of which shall be the par value of \$1.00. The corporation may, subject to applicable statutory limitations, purchase or redeem its own shares.

FIFTH

The corporation will not commence business until at least One Thousand Dollars has been received by it as consideration for the issuance of shares.

SIXTH

There are no provisions limiting or denying to shareholders the preemptive right to acquire additional or treasury shares of the corporation.

SEVENTH

Provisions for the regulation of the internal affairs of the corporation are such as shall be contained in the By-Laws of the company.



EIGHTH

The address of the initial registered office of the corporation is 310 South First Avenue, Sioux Falls, South Dakota, and the name of its initial registered agent at such address is Woods, Fuller, Shultz & Smith P.C.

NINTH

The number of directors constituting the initial Board of Directors of the corporation is three and the names and addresses of the persons who are to serve as Directors until the first meeting of shareholders or until their successors are elected and shall qualify are:

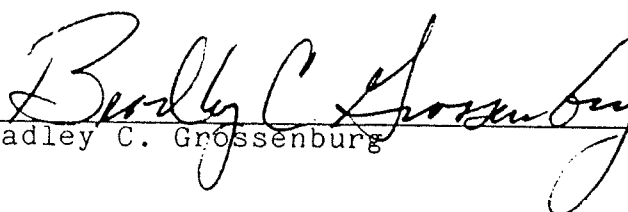
<u>Names</u>	<u>Address</u>
Niels Bruun-Andersen	Post Office Box 125 Wise River, Montana 59762
Inge Bruun-Andersen	Post Office Box 125 Wise River, Montana 59762
Barlett M. Hackley	6829 Farmdale Avenue North Hollywood, CA 91605

TENTH

The name and address of the incorporator is:

<u>Name</u>	<u>Address</u>
Bradley C. Grossenburg	310 South First Avenue Sioux Falls, SD 57102

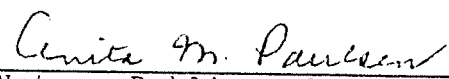
Dated this 31st day of August, 1988.

  
Bradley C. Grossenburg

STATE OF SOUTH DAKOTA )  
                                  :SS  
COUNTY OF MINNEHAHA )

On this the 31st day of August, 1988, before me, the undersigned officer, personally appeared Bradley C. Grossenburg, known to me or satisfactorily proven to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

IN WITNESS WHEREOF I hereunto set my hand and official seal.

  
Notary Public - South Dakota

ANITA M. PAULSEN, Notary Public  
My Commission Expires Oct. 28, 1993

STATE OF SOUTH DAKOTA )  
                                  :SS  
COUNTY OF MINNEHAHA )

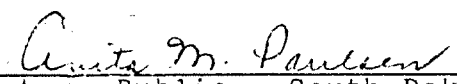
The undersigned, being duly sworn, deposes and says: That he is the person described in and who signed the foregoing Articles of Incorporation as the incorporator therein; that he has read said Articles and knows the contents thereof; that the incorporator intends in good faith to form a corporation for the purposes of promotion of a lawful business as set forth in said

Articles and not for the purpose of enabling any corporation or corporations to avoid the provisions of SDCL 1967 37-1 of the State of South Dakota, relating to unlawful trusts and combinations, and laws amendatory thereto.

  
Bradley C. Grossenburg

Subscribed and sworn to before me

this 31st day of August, 1988.

  
Notary Public - South Dakota

ANITA M. PAULSEN, Notary Public  
My Commission Expires Oct. 28, 1993.

## B Y - L A W S

FOR THE REGULATION, EXCEPT AS OTHERWISE PROVIDED  
BY STATUTE OR ITS ARTICLES OF INCORPORATION  
OF  
BRANDER INDUSTRIES, INC.

ARTICLE I

## Offices

Section 1. PRINCIPAL OFFICE. The principal office for the transaction of the business of the corporation is hereby fixed and located at:

The Board of Directors is hereby granted full power and authority to change said principal office from one location to another in said County.

Section 2. OTHER OFFICES. Branch or subordinate offices may at any time be established by the Board of Directors at any place or places where the corporation is qualified to do business.

ARTICLE II

## Meetings of Shareholders

Section 1. PLACE OF MEETINGS. All annual meetings of shareholders shall be held at the principal office of the corporation, and all other meetings of shareholders shall be held either at the principal office or at any other place within or without the State of California which may be

designated either by the Board of Directors pursuant to authority hereinafter granted to said Board, or by written consent of all shareholders entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the corporation.

Section 2. ANNUAL MEETINGS. The annual meetings of shareholders shall be held on the 1st Monday of March of each year, at o'clock M., of said day; provided, however, that should said day fall upon a legal holiday, then any such annual meeting of shareholders shall be held at the same time and place on the next day thereafter ensuing which is not a legal holiday.

Written notice of each annual meeting shall be given to each shareholder entitled to vote thereat, either personally or by mail or other means of written communication, charges prepaid, addressed to such shareholder at his address appearing on the books of the corporation or given by him to the corporation for the purpose of notice. If a shareholder gives no address, notice shall be deemed to have been given him if sent by mail or other means of written communication addressed to the place where the principal office of the corporation is situated, or if published at least once in some newspaper of general circulation in the county in which said office is located. All such notices shall be sent to each shareholder entitled thereto not less than ten days before each annual meeting, and shall specify the place, the day and the hour of such meeting, and shall also state the general nature of the business or proposal to be considered or acted upon at such meeting or before action may be taken at such a meeting on (a) a proposal to sell, lease, convey, exchange, transfer or otherwise dispose of all or substantially all of the property or assets of the corporation except under Section 3900 of the California Corporations Code; or (b) a proposal to merge or consolidate with another corporation, domestic or foreign; or (c) a proposal to reduce the stated capital of the corporation; or (d) a proposal to amend the Articles of Incorporation, except to extend the term of the corporate existence; or (e) a proposal to wind up and dissolve the corporation; or (f) a proposal to adopt a plan of distribution of shares, securities or any consideration other than money in the process of winding up.

Section 3. SPECIAL MEETINGS. Special meetings of the shareholders, for any purpose or purposes whatsoever, may be called at any time by the President or by the Board of Directors, or by one or more shareholders holding not less than one-fifth of the voting power of the corporation. Except in special cases where other express provision is made by statute, notice of such special meetings shall be

given in the same manner as for annual meetings of shareholders. Notices of any special meeting shall specify in addition to the place, day and hour of such meeting, the general nature of the business to be transacted.

Section 4. ADJOURNED MEETINGS AND NOTICE THEREOF. Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat, but in the absence of a quorum no other business may be transacted at any such meeting.

When any shareholders' meeting, either annual or special, is adjourned for thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting; save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken.

Section 5. ENTRY OF NOTICE. Whenever any shareholder entitled to vote has been absent from any meeting of shareholders, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to such shareholders, as required by law and the By-Laws of the corporation.

Section 6. VOTING. At all meetings of shareholders, every shareholder entitled to vote shall have the right to vote in person or by proxy the number of shares standing in his own name on the stock records of the corporation. Such vote may be "viva voce" or by ballot; provided, however, that all elections for directors must be by ballot upon demand made by a shareholder at any election and before the voting begins. Every shareholder entitled to vote at any election for directors shall have the right to cumulate his votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which his shares are entitled, or to distribute his votes on the same principle among as many candidates as he shall think fit. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Section 7. QUORUM. The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue

to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.

Section 8. CONSENT OF ABSENTEES. The transactions of any meeting of shareholders, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the shareholders entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes of the meeting.

Section 9. ACTION WITHOUT MEETING. Any action which under the provisions of title one of part five of division first of the California Corporations Code may be taken at a meeting of the shareholders, except approval of an agreement for merger or consolidation of the corporation with other corporations, may be taken without a meeting, if authorized by a writing signed by all of the persons who would be entitled to vote upon such action at a meeting, and filed with the Secretary of the corporation.

Section 10. PROXIES. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the corporation; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the shareholder executing it specified therein the length of time for which such proxy is to continue in force, which in no case shall exceed seven (7) years from the date of its execution.

### ARTICLE III

#### Directors

Section 1. POWERS. Subject to limitations of the Articles of Incorporation, of the By-Laws, and of title one of part three of division first of the California Corporations Code as to action to be authorized or approved by the shareholders, and subject to the duties of directors as prescribed by the By-Laws, all corporate powers shall be exercised by or under the authority of, and the business and affairs of the corporation shall be controlled by, the Board of Directors. Without prejudice to such general powers but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers, to-wit:

First: To select and remove all the other officers, agents and employees of the corporation, prescribe such powers and duties for them as may be not inconsistent with law, with the Articles of Incorporation or the By-Laws, fix their compensation, and require from them security for faithful service.

Second: To conduct, manage and control the affairs and business of the corporation, and to make such rules and regulations therefor not inconsistent with law, with the Articles of Incorporation or the By-Laws, as they may deem best.

Third: To change the principal office for the transaction of the business of the corporation from one location to another within the same county as provided in Article I, Section 1, hereof, to fix and locate from time to time one or more subsidiary offices of the corporation within or without the State of California, as provided in Article I, Section 2, hereof, to designate any place within or without the State of California for the holding of any shareholders' meetings except annual meetings; and to adopt, make and use a corporate seal, and to prescribe the forms of certificates of stock, and to alter the form of such seal and of such certificates from time to time, as in their judgment they may deem best, provided such seal and such certificate shall at all times comply with the provisions of law.

Fourth: To authorize the issue of shares of stock of the corporation from time to time, upon such terms as may be lawful, in consideration of money paid, labor done or services actually rendered, debts or securities cancelled, or tangible or intangible property actually received, or in the case of shares issued as a dividend, against amounts transferred from surplus to stated capital.

Fifth: To borrow money and incur indebtedness for the purposes of the corporation, and to cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations or other evidences of debt and securities therefor.

Sixth: To appoint an executive committee and other committees, and to delegate to the executive committee any of the powers and authority of the Board in the management of the business and affairs of the corporation, except the power to declare dividends and to adopt, amend or repeal By-Laws. The executive committee shall be composed of two or more directors.



Section 2. NUMBER AND QUALIFICATION OF DIRECTORS. The authorized number of directors of the corporation shall be until changed by amendment of the Articles of Incorporation or by a By-Law amending this Section 2 of Article III of these By-Laws duly adopted by the vote or written assents of the shareholders entitled to exercise a majority of the voting power of the corporation.

Section 3. ELECTION AND TERM OF OFFICE. The directors shall be elected at each annual meeting of shareholders, but if any such annual meeting is not held, or the directors are not elected thereat, the directors may be elected at any special meeting of shareholders held for that purpose. All directors shall hold office until their respective successors are elected.

Section 4. VACANCIES. Vacancies in the Board of Directors may be filled by a majority of the remaining directors, though less than a quorum, or by a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual or a special meeting of the shareholders.

A vacancy or vacancies in the Board of Directors shall be deemed to exist in case of the death, resignation or removal of any director, or if the authorized number of directors be increased, or if the shareholders fail at any annual, regular or special meeting of shareholders at which any director or directors are elected to elect the full authorized number of directors to be voted for at that meeting.

The shareholders may elect a director or directors at any time to fill any vacancy or vacancies not filled by the directors. If the Board of Directors accept the resignation of a director tendered to take effect at a future time, the Board or the shareholders shall have the power to elect a successor to take office when the resignation is to become effective.

No reduction of the authorized number of directors shall have the effect of removing any director prior to the expiration of his term of office.

Section 5. PLACE OF MEETING. Regular meetings of the Board of Directors shall be held at any place within or without the State which has been designated from time to time by resolution of the Board or by written consent of all members of the Board. In the absence of such designation, regular meetings shall be held at the principal office of the corporation. Special meetings of the Board may be held either at a place so designated or at the principal office. Any regular or special meeting is valid, wherever held, if held upon written consent of all members of the board, given either before or after the meeting and filed with the secretary of the corporation.

Section 6. ORGANIZATION MEETING. Immediately following each annual meeting of shareholders, the Board of

Directors shall hold a regular meeting for the purpose of organization, election of officers, and the transaction of other business. Notice of such meetings is hereby dispensed with.

Section 7. OTHER REGULAR MEETINGS. Other regular meetings of the Board of Directors shall be held without call on the o'clock M., of said day; provided, however, should said day fall upon a legal holiday, then said meeting shall be held at the same time on the next day thereafter ensuing which is not a legal holiday. Notice of all such regular meetings of the Board of Directors is hereby dispensed with.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose or purposes shall be called at any time by the President or, if he is absent or unable or refuses to act, by any Vice President or by any two directors.

Written notice of the time and place of special meetings shall be delivered personally to the directors or sent to each director by mail or other form of written communication, charges prepaid, addressed to him at his office as it is shown upon the records of the corporation, or if it is not so shown on such records or is not readily ascertainable, at the place in which the meetings of the directors are regularly held. In case such notice is mailed or telegraphed, it shall be deposited in the United States mail or delivered to the telegraph company in the place in which the principal office of the corporation is located at least forty-eight (48) hours prior to the time of the holding of the meeting. In case such notice is delivered as above provided, it shall be delivered at least twenty-four (24) hours prior to the time of the holding of the meeting. Such mailing, telegraphing or delivery as above provided shall be due, legal and personal notice to such director.

Section 9. NOTICE OF ADJOURNMENT. Notice of the time and place of holding an adjourned meeting need not be given to absent directors if the time and place be fixed at the meeting adjourned.

Section 10. ENTRY OF NOTICE. Whenever any director has been absent from any special meeting of the Board of Directors, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given to such director, as required by law and the By-Laws of the corporation.

Section 11. WAIVER OF NOTICE. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, shall be as valid as though had at

a meeting duly held after regular call and notice, if a quorum be present, and if, either before or after the meeting, each of the directors not present sign a written waiver of notice or a consent to holding such meeting or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 12. QUORUM. A majority of the authorized number of directors shall be necessary to constitute a quorum for the transaction of business, except to adjourn as herein-after provided. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present, shall be regarded as the act of the Board of Directors, unless a greater number be required by law or by the Articles of Incorporation.

Section 13. ADJOURNMENT. A quorum of the directors may adjourn any directors' meeting to meet again at a stated day and hour; provided, however, that in the absence of a quorum, a majority of the directors present at any directors' meeting, either regular or special, may adjourn from time to time until the time fixed for the next regular meeting of the Board.

Section 14. FEES AND COMPENSATION. Directors shall not receive any stated salary for their services as directors, but, by resolution of the Board, a fixed fee, with or without expenses of attendance, may be allowed for attendance at each meeting. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation therefor.

#### ARTICLE IV

##### Officers

Section 1. OFFICERS. The officers of the corporation shall be a President, a Vice President, a Secretary and a Treasurer. The corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more additional Vice Presidents, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article. Officers other than the President and the Chairman of the Board need not be directors. One person may hold two or more offices, except those of President and Secretary.

Section 2. ELECTION. The officers of the corporation, except such officers as may be appointed in accordance

with the provisions of Section 3 or Section 5 of this Article, shall be chosen annually by the Board of Directors, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. SUBORDINATE OFFICERS, ETC. The Board of Directors may appoint such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors.

Any officer may resign at any time by giving written notice to the Board of Directors or to the President, or to the Secretary of the corporation. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 5. VACANCIES. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the By-Laws for regular appointments to such office.

Section 6. CHAIRMAN OF THE BOARD. The Chairman of the Board, if there shall be such an officer, shall, if present, preside at all meetings of the Board of Directors, and exercise and perform such other powers and duties as may be from time to time assigned to him by the Board of Directors or prescribed by the By-Laws.

Section 7. PRESIDENT. Subject to such supervisory powers, if any, as may be given by the Board of Directors to the Chairman of the Board, if there be such an officer, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. He shall preside at all meetings of the shareholders and in the absence of the Chairman of the Board, or if there be none, at all meetings of the Board of Directors. He shall be "ex officio" a member of all the standing committees, including the executive committee, if any, and shall have the general powers and duties

of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or By-Laws.

Section 8. VICE PRESIDENT. In the absence or disability of the President, the Vice Presidents in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice President designated by the Board of Directors, shall perform all the duties and be subject to all the restrictions upon, the President. The Vice Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or By-Laws.

Section 9. SECRETARY. The Secretary shall keep, or cause to be kept, a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of directors and shareholders, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, the number of shares present or represented at shareholders' meetings and the proceedings thereof.

The Secretary shall keep, or cause to be kept, at the principal office or at the office of the corporation's transfer agent, a share register, or a duplicate share register, showing the names of the shareholders and their addresses; the number and classes of shares held by each; the number and date of certificates issued for the same and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary shall give, or cause to be given, notice of all the meetings of the shareholders and of the Board of Directors required by the By-Laws or by law to be given, and he shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

Section 10. TREASURER. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital surplus and shares. Any surplus, including earned surplus, paid-in surplus and surplus arising from a reduction of stated capital, shall be classified according to source and shown in a separate account. The books of account shall at all times be open to inspection by any director.

The Treasurer shall deposit all moneys and other valuables in the name and to the credit of the corporation with such depositaries as may be designated by the Board of



Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and directors, whenever they request it, an account of all of his transactions as Treasurer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or the By-Laws.

## ARTICLE V

### Miscellaneous

Section 1. RECORD DATE AND CLOSING STOCK BOOKS. The Board of Directors may fix a time, in the future, not exceeding thirty (30) days preceding the date fixed for the payment of any dividend or distribution, or for the allotment of rights, or when any change or conversion or exchange of shares shall go into effect, as a record date for the determination of the shareholders entitled to notice of and to vote at any such meeting, or entitled to receive any such dividend or distribution, or any such allotment of rights, or to exercise the rights in respect to any such change, conversion or exchange of shares, and in such case only shareholders of record on the date so fixed shall be entitled to notice of and to vote at such meeting, or to receive such dividend, distribution or allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after any record date fixed as aforesaid. The Board of Directors may close the books of the corporation against transfers of shares during the whole, or any part of any such period.

Section 2. INSPECTION OF CORPORATE RECORDS. The share register or duplicate share register, the books of account, and minutes of proceedings of the shareholders and directors shall be open to inspection upon the written demand of any shareholder or the holder of a voting trust certificate, at any reasonable time, and for a purpose reasonably related to his interests as a shareholder, or as the holder of a voting trust certificate, and shall be exhibited at any time when required by the demand of ten per cent (10%) of the shares represented at any shareholders' meeting; such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demand of inspection other than at a shareholders' meeting shall be made in writing upon the President, Secretary, or Assistant Secretary of the corporation.

Section 3. CHECKS, DRAFTS, ETC. All checks, drafts, or other orders for payment of money, notes, or other evidences of indebtedness, issued in the name of or payable to the corporation, shall be signed or endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 4. ANNUAL REPORT. The Board of Directors shall cause to be sent to the shareholders not later than one hundred twenty (120) days after the close of the fiscal year or calendar year an annual report in compliance with the provisions of Sections 3006-3010 of the California Corporations Code.

Section 5. CONTRACT, ETC., HOW EXECUTED. The Board of Directors except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit to render it liable for any purpose or to any amount.

Section 6. CERTIFICATES OF STOCK. A certificate or certificates for shares of the capital stock of the corporation shall be issued to each shareholder when any such shares are fully paid up. All such certificates shall be signed by the President or a Vice President and Secretary or an Assistant Secretary, or be authenticated by facsimiles of the signatures of the President and Secretary or by a facsimile of the signature of the President and the written signature of the Secretary or an Assistant Secretary. Every certificate authenticated by a facsimile of a signature must be countersigned by a transfer agent or transfer clerk, and be registered by an incorporated bank or trust company, either domestic or foreign, as registrar of transfer, before issuance.

Certificates for shares may be issued prior to full payment under such restrictions and for such purposes as the Board of Directors or the By-Laws may provide; provided, however, that any such certificate so issued prior to full payment shall state the amount remaining unpaid and the terms of payment thereof.

Section 7. REPRESENTATION OF SHARES OF OTHER CORPORATIONS. The President or any Vice President and the Secretary or Assistant Secretary of this corporation are authorized to vote, represent and exercise on behalf of this corporation all rights incident to any and all shares of any other corporation or corporations standing in the name of this corporation. The authority herein granted to said officers to vote or represent on behalf of this corporation any and all shares held by this corporation in any other corporation or corporations may be exercised either by such officers in person or by any person authorized so to do by proxy or power of attorney duly executed by said officers.

Section 8. INSPECTION OF BY-LAWS. The corporation shall keep in its principal office for the transaction of business the original or a copy of the By-Laws as amended or otherwise altered to date, certified by the Secretary,

which shall be open to inspection by the shareholders at all reasonable times during office hours.

ARTICLE VI

AMENDMENTS

Section 1. POWER OF SHAREHOLDERS. New By-Laws may be adopted or these By-Laws may be amended or repealed by the vote of shareholders entitled to exercise a majority of the voting power of the corporation or by the written assent of such shareholders.

Section 2. POWER OF DIRECTORS. Subject to the right of shareholders as provided in Section 1 of this Article VI to adopt, amend or repeal By-Laws, By-Laws other than a By-Law or amendment thereof changing the authorized number of directors may be adopted, amended or repealed by the Board of Directors.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, being all of the directors of BRANDER INDUSTRIES, INC., hereby adopt the foregoing By-Laws as the By-Laws of said corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names this 16th day of February, 1954.

Nels Bruun Andersen

Elnor Bruun-Andersen

Ella Riedel Andersen

I, the undersigned, do hereby certify:

(1) That I am the duly elected and acting Secretary of BRANDER INDUSTRIES, INC., a California corporation; and

(2) That the foregoing By-Laws constitute the original By-Laws of said corporation as duly adopted at the first meeting of the Board of Directors thereof duly held February 16, 1954.

Elnor Bruun-Andersen  
Secretary



by-laws of the corporation by a vote or written assent of stockholders entitled to exercise a majority of the voting power, as provided by the Corporation Code of the State of California.

IN WITNESS WHEREOF, we, the undersigned, who are all of the directors named herein, have hereunto set our hands, this 10th day of February, 1954.

Niels Bruun-Andersen  
NIELS BRUUN-ANDERSEN

Elinor Bruun-Andersen  
ELINOR BRUUN-ANDERSEN

Else Riedel Andersen  
ELSE RIEDEL ANDERSEN

STATE OF CALIFORNIA }  
COUNTY OF LOS ANGELES } ss.

On this 10th day of February, 1954, before the undersigned, a Notary Public in and for the county of Los Angeles, State of California, personally appeared NIELS BRUUN-ANDERSEN, ELINOR BRUUN-ANDERSEN and ELSE RIEDEL ANDERSEN, known to me to be the persons whose names are subscribed to the foregoing instrument, and acknowledged to me that they executed the same.

WITNESS my hand and official seal.



Francis B. Cobb  
Notary Public in and for the said  
county and state.

FILED  
ENDORSED

(c) To enter into, make, perform and carry out contracts of every kind for any lawful purpose without limit as to amount, with any person, firm, association or corporation, municipality, county, parish, state, territory, government or other municipal or governmental subdivision.

(f) To become a partner (either general or limited or both) and to enter into agreements of partnership, with one or more other persons or corporations, for the purpose of carrying on any business whatsoever which this corporation may deem proper or convenient in connection with any of the purposes herein set forth or otherwise, or which may be calculated, directly or indirectly, to promote the interests of this corporation or to enhance the value of its property or business.

(g) To engage in all forms of business in which a commercial corporation may engage under the laws of the State of California.

THIRD: The principal office for the transaction of the business of the corporation will be located in Los Angeles County, State of California

FOURTH: This corporation is authorized to issue only one class of shares of stock, to wit, common stock. The total number of said shares shall be fifty thousand (50,000) shares of the par value of One (\$1.00) Dollar per share, and the aggregate par value of all of said shares shall be Fifty (\$50,000.00) Thousand Dollars.

FIFTH: The number of directors of this corporation is three (3), and the names and addresses of the persons who are appointed to act until the annual meeting of stockholders, or until the selection or qualification of their successors are as follows:

NIELS BRUUN-ANDERSEN

11435 E. Keith Drive  
Whittier, California

ELINOR BRUUN - ANDERSEN

Same

ELSE RIEDEL ANDERSEN

Same

SIXTH: The number of directors of the corporation may be fixed or altered from time to time by an amendment to the

283028

ARTICLES OF INCORPORATION

of

BRANDER INDUSTRIES, INC.

**ENDORSED  
FILED**

In the office of the Secretary of State  
of the State of California

FEB 15 1954

FRANK M. JORDAN, Secretary of State  
By STACY H. ASPEY  
Deputy

We, the undersigned, do hereby voluntarily associate ourselves together for the purpose of forming a private corporation under the laws of the State of California,

AND WE DO HEREBY CERTIFY:

FIRST: That the name of the corporation is:

BRANDER INDUSTRIES, INC.

SECOND: The purposes for which this corporation is formed are:

- (a) The primary business in which the corporation intends to initially engage is to operate a metal shop, heat treating metals, fabricating metals, acting as manufacturer's representative in selling and assembling and fabricating metal and metal products;
- (b) To own, operate, maintain, manage and equip a shop for fabricating, storage, treating, sale and assembly of personal property of every character and nature;
- (c) To invest, design, develop, assemble, build, construct, fabricate, manufacture, buy, import, lease as lessee and otherwise acquire, to own, operate, maintain, manage, equip, improve, repair, alter and otherwise use, enjoy and deal with personal property, to mortgage, deed in trust, pledge and otherwise encumber, and to sell, export, lease as lessor and otherwise dispose of machinery, metals, aircraft parts and aviation facilities of all kinds, including, without limiting the generality of the foregoing language, aircraft carriers and transports; factories, repair stations and shops, laboratories, schools, stores, offices, plants and works, and all other facilities and equipment incidental to the business of this corporation;
- (d) To purchase, acquire, own, hold, use, lease (either as lessor or lessee), grant, sell, exchange, subdivide, mortgage, convey in trust, manage, improve, construct, operate and generally deal in any and all real estate, improved or unimproved, stores, office buildings, manufacturing plants and other buildings, and any and all other property of every kind or description, real, personal and mixed, and wheresoever situated, either in California, other states of the United States, the District of Columbia, territories and colonies of the United States, or foreign countries.





I, FRANK M. JORDAN, Secretary of State of the State of California, hereby certify:

*That the annexed transcript has been compared with the RECORD on file in my office, of which it purports to be a copy, and that the same is full, true and correct.*

IN WITNESS WHEREOF, I hereunto set my hand and affix the Great Seal of the State of California, at Sacramento, this 15th day of February, 1954.

  
Secretary of State

By   
Assistant Secretary of State



WAIVER OF NOTICE AND CONSENT TO HOLDING  
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF

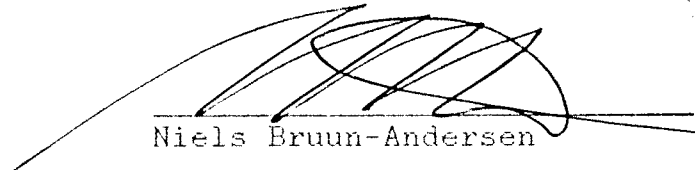
BRANDER INDUSTRIES, INC.

The undersigned, being all the directors of Brander Industries, Inc., a California corporation, hereby waive notice and consent to holding of a special meeting of the Board of Directors of said corporation to be held at 6829 Farmdale Avenue, North Hollywood, California, for the transaction of business of said corporation on December 14, 1988 for the purpose of:

1. To consider and act upon matters relating to current and new operating problems.
2. Transact any such other business as may come before the meeting.

This Waiver of Notice and Consent to said meeting is made in compliance with the terms of Section 815 of the Corporation Code of California, and the undersigned hereby consent that the same may be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if it had been at a meeting regularly called or noticed.


Dated at North Hollywood, California, this 14th day of December 1988.




Niels Bruun-Andersen



Bart M. Hackley



Inge Bruun-Andersen



MINUTES OF SPECIAL MEETING OF  
BOARD OF DIRECTORS  
OF  
BRANDER INDUSTRIES, INC.

A Special Meeting of the Board of Directors of Brander Industries, Inc., was held at the office of the Corporation at 6829 Farmdale Avenue, North Hollywood, California on December 14, 1988, at 5:00 P.M. o'clock.

This meeting of the Board of Directors was held pursuant to Written Waiver of Notice and Consent signed by all Directors of the Corporation.

There were originally present the following Directors, being a quorum of the Directors:

NIELS BRUUN-ANDERSEN  
INGE BRUUN-ANDERSEN  
BART M. HACKLEY

Mr. Niels Bruun-Andersen, President of the Corporation, acted as Chairman of the meeting, and Mr. Bart M. Hackley, Vice-President of the Corporation, acted as Secretary of the meeting.

The Chairman informed the Board that Mr. Ed Troy of Barrington Industries, Ltd., had submitted a copy of a letter received by him from DKM stating that they were not interested in acquiring our subsidiaries. As a result, a non-exclusive agreement has been executed with Barrington Industries, Ltd. to represent us in the sale of our companies. One of the encouraging aspects of this new representation is that Mr. Troy anticipates sending introductory letters to potential buyers in the aerospace and airframe industry.

Director Bart Hackley discussed the operations of the subsidiaries, and stated that for the two months ended November 1988, Pacific Steel Treating Co., Inc. was showing a profit of \$72,000 on a sales volume of \$561,000. For the eight months period ending November 1988, Pacific Metal Stampings, Inc. had a net profit of \$117,000 on a sales volume of \$1,040,000.

There was then a discussion regarding Christmas and some form of remembrance for the employees of the company.

Upon motion of Director Niels Bruun-Andersen, seconded by Director Bart M. Hackley, the following resolution was offered and unanimously passed:

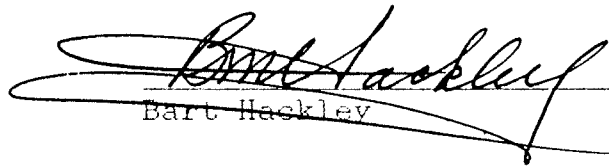
BE IT RESOLVED that the company give each employee a \$25.00 gift certificate redeemable at any Von's Market.

The Chairman informed the Board that as set forth in the minutes of our special meetings documented by our attorneys, the merger of this company with the South Dakota corporation would be effective December 31, 1988. There followed a discussion regarding the fiscal year end for the company. It was concluded that since the merger would be effective at year end, the company should now change to a calendar year end, and prepare financial reports on that basis.

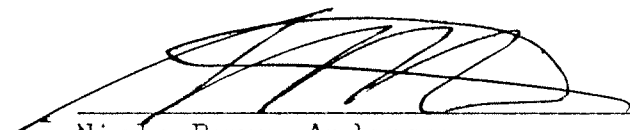
Upon motion of Director Bart Hackley, seconded by Director Niels Bruun-Andersen, the following resolution was offered and unanimously passed:

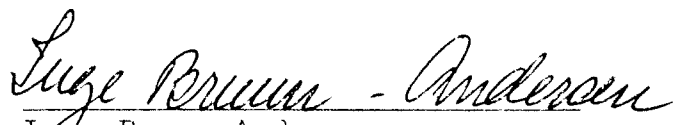
BE IT RESOLVED that the corporation change its year end from September 30 to December 31 of each year, and the current period will be for three months to establish a calendar year end.

There being no further business the meeting was adjourned.

  
Bart Hackley

APPROVED:

  
Niels Bruun-Andersen

  
Inge Bruun-Andersen



WAIVER OF NOTICE AND CONSENT TO HOLDING  
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
BRANDER INDUSTRIES, INC.

The undersigned, being all the directors of Brander Industries, Inc., a South Dakota corporation, hereby waive notice and consent to holding of a special meeting of the Board of Directors of said corporation to be held at 6829 Farmdale Avenue, North Hollywood, California, for the transaction of business of said corporation on March 21, 1989 for the purpose of:


1. To consider and act upon matters relating to current and new operating problems.
2. Transact any such other business as may come before the meeting.

This Waiver of Notice and Consent to said meeting is made in compliance with the terms of SDCL 47-5-10, and the undersigned hereby consent that the same may be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if it had been at a meeting regularly called or noticed.

Dated at North Hollywood, California, this 21st day of March 1989.

  
Niels Bruun-Andersen

  
Bart M. Hackley

  
Inge Bruun-Andersen



MINUTES OF SPECIAL MEETING OF  
BOARD OF DIRECTORS  
OF

BRANDER INDUSTRIES, INC.

A Special Meeting of the Board of Directors of Brander Industries, Inc., was held at the office of the Corporation at 6829 Farmdale Avenue, North Hollywood, California on , March 21, 1989, at 5:00 P.M. o'clock.


This meeting of the Board of Directors was held pursuant to Written Waiver of Notice and Consent signed by all Directors of the Corporation.

There were originally present the following Directors, being a quorum of the Directors:

NIELS BRUUN-ANDERSEN  
INGE BRUUN-ANDERSEN  
BART M. HACKLEY

Mr. Niels Bruun-Andersen, President of the Corporation, acted as Chairman of the meeting, and Mr. Bart M. Hackley, Vice-President of the Corporation, acted as Secretary of the meeting.

The meeting was opened with a general discussion regarding the sale of the subsidiary companies, and the sales representatives now being used, Barrington Industries, Ltd. Director Bart Hackley said that it appears that Ed Troy is submitting the information regarding our companies to a great many companies involved in the aerospace industry. It appears that this approach is going to have good results, since we have been assured that Proposals to purchase will be received from




Eulless Aero Components as well as Holding Capital Group, both of these parties are from Texas, where the offices of Barrington Industries, Ltd. are located.

Director Hackley informed the Board that we would be having a great deal of extra work presented to the accounting department since it will be necessary to prepare consolidated financial statements for the subsidiary companies on a periodic basis, presumably quarterly. Ed Troy, our representative stated that if at all possible, the company should attempt to build up our cash reserves to allow us maneuverability if necessary, and it also stimulates the interest of prospective buyers.

Director Bart M. Hackley then introduced the subject of the business activities of our subsidiary companies. He stated that Pacific Steel Treating Co., Inc. is continuing to show a profit. At the end of February 1989, a net profit of \$144,300 had been realized on a net sales volume of \$1,410,000. Pacific Metal Stampings, Inc., for the fiscal year ended February 1989, should realize a net profit before officers and administrative bonuses and federal income tax of approximately \$235,000 on a sales volume of \$1,665,000.

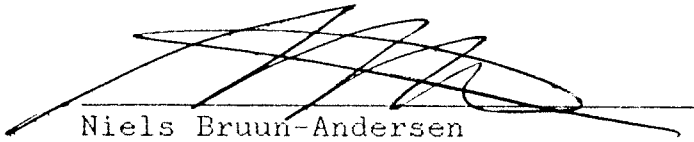
The Chairman then addressed the subject of the Vista Del Mar controversy and the status of the disagreement. It looks as if the parties are going to hold to their positions to the very end since there is very little change in the position of the parties to the limited partnership. The Chairman has been informed by counsel that we are approaching the time that it will be advisable to take depositions of the key parties.

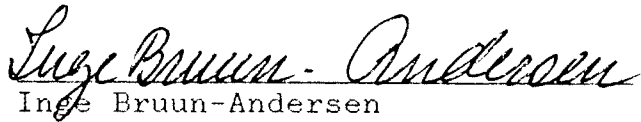


There being no further business the meeting was adjourned.

  
Bart M. Hackley

APPROVED:

  
Niels Bruun-Andersen

  
Inge Bruun-Andersen

WAIVER OF NOTICE AND CONSENT TO HOLDING  
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS

OF


BRANDER INDUSTRIES, INC.

The undersigned, being all the directors of Brander Industries, Inc., a South Dakota corporation, hereby waive notice and consent to holding of a special meeting of the Board of Directors of said corporation to be held at 6828 Farmdale Avenue, North Hollywood, California, for the transaction of business of said corporation on June 21, 1989 for the purpose of:

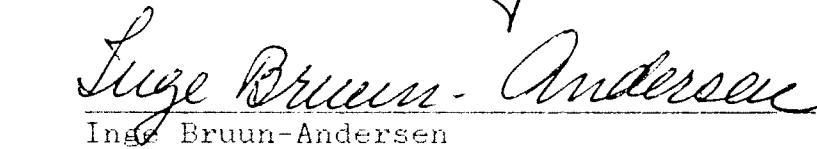
1. To consider and act upon matters relating to current and new operating problems.
2. Transact any such other business as may come before the meeting.


This Waiver of Notice and Consent to said meeting is made in compliance with the terms of SDCL 47-5-10, and the undersigned hereby consent that the same may be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if it had been at a meeting regularly called or noticed.

Dated at North Hollywood, California, this 21st day of June 1989.

  
Niels Bruun-Andersen

  
Bart M. Hackley

  
Inge Bruun-Andersen



MINUTES OF SPECIAL MEETING OF  
BOARD OF DIRECTORS  
OF  
BRANDER INDUSTRIES, INC.

A Special Meeting of the Board of Directors of Brander Industries, Inc., was held at the office of the Corporation at 6829 Farmdale Avenue, North Hollywood, California on, June 21, 1989, at 5:00 P.M. o'clock.

This meeting of the Board of Directors was held pursuant to Written Waiver of Notice and Consent signed by all Directors of the Corporation.

There were originally present the following Directors, being a quorum of the Directors:

NIELS BRUUN-ANDERSEN  
INGE BRUUN-ANDERSEN  
BART M. HACKLEY

Mr. Niels Bruun-Andersen, President of the Corporation, acted as Chairman of the meeting, and Mr. Bart M. Hackley, Vice-President of the Corporation, acted as Secretary of the meeting.

The Chairman suggested that the first order of business be a general discussion regarding the request by the California Water Resources Board to investigate the possibility that there could be soil contamination due to our use of several compounds considered to be hazardous. These include perchlorethylene as well as trichlorethylene. The Chairman felt that no problem exists since we have always tried to be careful when disposing of these solvents. The used solvents have always been sent back to the source for recycling, not carelessly discarded.


The Board was informed that this testing would be conducted under the direction of Healey Environmental as consultants, and consists of the drilling of several test borings with tests of the soil being made at five foot intervals. The first of these tests have now been made, and we are awaiting the results. The Chairman stated that the Board would be kept apprised as Pacific Steel Treating Co., Inc. pursued this program.

The Chairman then addressed the subject of the Vista Del Mar litigation. He stated that the deposition of Bart M. Hackley, Sr., the general partner of the Vista Del Mar Limited Partnership, had been taken. The facts as related in his deposition were considerably different than those as evidenced by our documentation.

The results of operations of Pacific Steel Treating Co., Inc. was then discussed. Director Hackley informed the Board that the company had realized a net profit before federal income tax and officers bonuses of \$310,000, on a sales volume of \$2,375,000 for the five months ended May 31, 1989.

There was then a discussion regarding Pacific Metal Stampings, Inc. and it was revealed that for their year ended March 31, 1989, the company had realized a net profit before officers and managers bonuses as well as federal income tax of \$184,480 on a sales volume of \$1,665,500.

Director Bart Hackley stated that many people had taken a walk through of our facility as the result of the efforts of Barrington Industries, Ltd., and many had expressed positive comments about the possible acquisition of the company. To



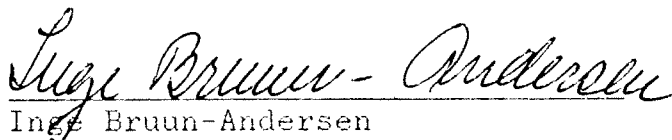
date, the proposals that have been received have been inadequate. It appears that we are getting much better results with our current representation than we did with our last firm. Director Hackley stated that it was now necessary to compose a document detailing the history of the company both as to activity as well as financial. To accomplish this he was fortunate to have the assistance of Erik Bruun-Andersen who has been able to do much of the detailed setup work.

There being no further business the meeting was adjourned.

  
Bart M. Hackley

APPROVED:

  
Niels Bruun-Andersen

  
Inge Bruun-Andersen





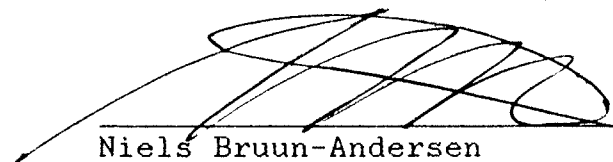
WAIVER OF NOTICE AND CONSENT TO HOLDING  
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
BRANDER INDUSTRIES, INC.

The undersigned, being all the directors of Brander Industries, Inc., a South Dakota corporation, hereby waive notice and consent to holding of a special meeting of the Board of Directors of said corporation to be held at 6829 Farmdale Avenue, North Hollywood, California, for the transaction of business of said corporation on September 21, 1989 for the purpose of:

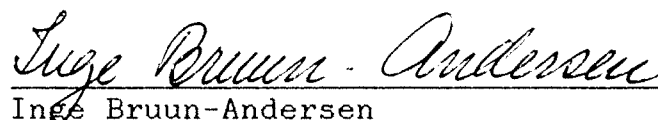
1. To consider and act upon matters relating to current and new operating problems.
2. Transact any such other business as may come before the meeting.

This Waiver of Notice and Consent to said meeting is made in compliance with the terms of SDCL 47-5-10, and the undersigned hereby consent that the same may be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if it had been at a meeting regularly called or noticed.

Dated at North Hollywood, California, this 21st day of September 1989.

  
Niels Bruun-Andersen

  
Bart M. Hackley

  
Inge Bruun-Andersen



MINUTES OF SPECIAL MEETING OF  
BOARD OF DIRECTORS  
OF

BRANDER INDUSTRIES, INC.

A Special Meeting of the Board of Directors of Brander Industries, Inc., was held at the office of the Corporation at 6829 Farmdale Avenue, North Hollywood, California on September 21, 1989, at 5:00 P.M. o'clock.

This meeting of the Board of Directors was held pursuant to Written Waiver of Notice and Consent signed by all Directors of the Corporation.

There were originally present the following Directors, being a quorum of the Directors:

NIELS BRUUN-ANDERSEN  
INGE BRUUN-ANDERSEN  
BART M. HACKLEY

Mr. Niels Bruun-Andersen, President of the Corporation, acted as Chairman of the meeting, and Mr. Bart M. Hackley, Vice-President of the Corporation, acted as Secretary of the meeting.

The Chairman opened the meeting by informing the Board that Director Bart M. Hackley had given his deposition concerning the Vista Del Mar litigation during August. Discussions between the various parties involved seems to indicate that there is a very good chance that this disagreement will be settled in the near future, on terms which may be acceptable to us, however there is no way that all of our costs can be recovered. A settlement would avoid the uncertainty of a trial.

The Board then addressed the subject of the officers of the corporation, and that the Articles of Incorporation state that the officers should be elected to office annually.

Upon motion of Director Bart M. Hackley, seconded by Director Inge Bruun-Andersen, the following resolution was offered and unanimously passed:

BE IT RESOLVED that Niels Bruun-Andersen  
elected President of the company.

Upon motion of Director Niels Bruun-Andersen, seconded by Director Inge Bruun-Andersen, the following resolution was offered and unanimously passed:

BE IT RESOLVED that Bart M. Hackley be  
elected Vice President and Secretary of  
the company.

Upon motion of Director Niels Bruun-Andersen, seconded by Director Bart M. Hackley, the following resolution was offered and unanimously passed:

BE IT RESOLVED that Inge Bruun-Andersen be  
elected Treasurer of the company.

Director Bart Hackley then discussed the status of the sale of the business and the numerous parties who have shown interest in the acquisition. Most of the parties would attempt to buy the company through a leveraged buyout. Also he suggested that we increase our base of exposure by retaining a local agent to represent us in the sale of the business. During our search for a new representative last year, our bank had referred us to a customer of theirs called Greentree Capital, run by Mr. Franz von Bradsky. It was agreed that we retain the services of this representative.

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The Chairman then reviewed the status of the contamination investigation currently in progress by Pacific Steel Treating Co., Inc. It appears that based upon the test samples obtained from the borings to date that there is some minor contamination in the soil of perchlorethylene. At the present time the scope of the contamination and cause can not be determined, and it will be necessary to extend the tests. The Board will be kept informed of the progress being made to correct this problem, if in fact a material problem exists.

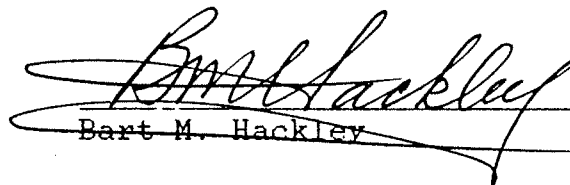
Director Bart M. Hackley then introduced the subject of Pacific Steel Treating Co., Inc. and its fiscal year now ending. He stated that it appears that on a sales volume of approximately \$3,600,000.00 the company will realize a profit from operations and after officers and managers bonuses as well as before the provision for federal income tax of \$310,000.00. The Board expressed pleasure with the recovery taking place in this company, and it is hoped that next year the company will realize even greater improvement.

There was then a discussion regarding the business activities of MAPSCO and the results of its year ended June 30, 1989. This company continues a solid trend of growth, and for the year just ended the company realized a net profit after bonuses and federal income tax of \$90,000, on a sales volume of \$1,150,000. The shareholders equity of the company is now \$108,612.

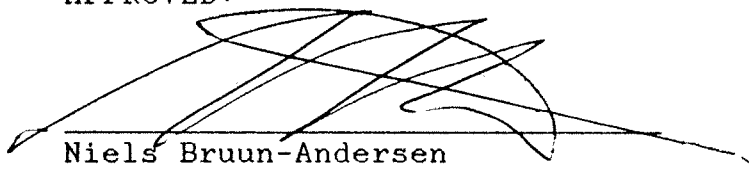
Pacific Metal Stampings Inc. is continuing its pattern of growth and the margin of profit is showing a marked increase.

At August 1989, on a sales volume of \$885,000, the company was realizing a net profit before bonuses and provision for federal income tax of \$122,000. These results are very encouraging.

There being no further business, the meeting was adjourned.

  
Bart M. Hackley

APPROVED:

  
Niels Bruun-Andersen

  
Inge Bruun-Andersen

WAIVER OF NOTICE AND CONSENT TO HOLDING  
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF  
BRANDER INDUSTRIES, INC.

The undersigned, being all the directors of Brander Industries, Inc., a California corporation, hereby waive notice and consent to holding of a special meeting of the Board of Directors of said corporation to be held at 6829 Farmdale Avenue, North Hollywood, California, for the transaction of business of said corporation on March 22, 1988 for the purpose of:

1. To consider and act upon matters relating to current and new operating problems.
2. Transact any such other business as may come before the meeting.

This Waiver of Notice and Consent to said meeting is made in compliance with the terms of Section 815 of the Corporation Code of California, and the undersigned hereby consent that the same may be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if it had been at a meeting regularly called or noticed.

Dated at North Hollywood, California, this 22nd day of March 1988.



Niels Bruun-Andersen



Bart M. Hackley



Inge Bruun-Andersen



MINUTES OF SPECIAL MEETING OF  
BOARD OF DIRECTORS  
OF  
BRANDER INDUSTRIES, INC.

A Special Meeting of the Board of Directors of Brander Industries, Inc., was held at the office of the Corporation at 6829 Farmdale Avenue, North Hollywood, California on , March 22, 1988, at 5:00 P.M. o'clock.

This meeting of the Board of Directors was held pursuant to Written Waiver of Notice and Consent signed by all Directors of the Corporation.

There were originally present the following Directors, being a quorum of the Directors:

NIELS BRUUN-ANDERSEN  
INGE BRUUN-ANDERSEN  
BART M. HACKLEY

Mr. Niels Bruun-Andersen, President of the Corporation, acted as Chairman of the meeting, and Mr. Bart M. Hackley, Vice-President of the Corporation, acted as Secretary of the meeting.

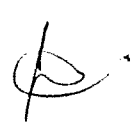
The meeting was opened with a general discussion regarding the sale of the subsidiary companies, and the sales representatives now being used. Director Bart Hackley said that it appears that Acquisition Management and Brokerage is only submitting the information regarding our companies to other heat treating companies. Since most of them have interests in the Southern California area, they are not interested other than to go through our plant to check out the competition. Also, using

this approach they are limiting the market, and not giving consideration to companies that might want to diversify.

Director Bart Hackley stated that he had recently received correspondence from Barrington Industries, Ltd., located in Dallas, Texas, who indicated that their client The Dyson-Kissner-Moran Corporation wished to acquire Pacific Steel Treating Co., Inc. There was then a general review of the correspondence that had transpired. The Chairman stated that based upon our past experience with our previous representation it might be advisable to obtain written confirmation of DKM's interest or lack of interest in acquiring any or all of our business activities before we retain the services of Barrington Industries, Ltd. Director Bart Hackley said that he would follow up on this aspect of our divestiture program.

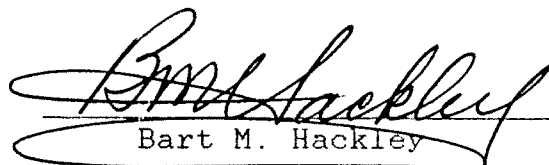
Director Hackley stated that inasmuch as we were going to continue to pursue the sale of the businesses, that we should also continue to accumulate cash for contingencies.

Director Bart M. Hackley then introduced the subject of the business activities of our subsidiary companies. He stated that it appears that Pacific Steel Treating Co., Inc. is still showing a profit, however it has a long way to go before there will be a normal return on the shareholders equity. At the end of February 1988, a net profit of \$19,700 had been realized on a net sales volume of \$1,234,000. Pacific Metal Stampings, Inc. had, for the eleven months ended February 1988, realized a net profit before provision for federal income tax of \$153,000, on a net sales volume of \$1,243,000.






There being no further business the meeting was adjourned.

  
Bart M. Hackley

APPROVED:

  
Niels Bruun-Andersen

  
Inge Bruun-Andersen

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WAIVER OF NOTICE AND CONSENT TO HOLDING  
OF SPECIAL MEETING OF THE BOARD OF DIRECTORS  
OF

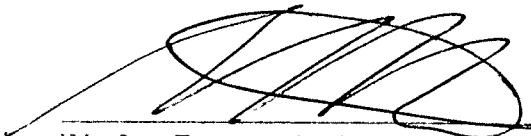
BRANDER INDUSTRIES, INC.

The undersigned, being all the directors of Brander Industries, Inc., a California corporation, hereby waive notice and consent to holding of a special meeting of the Board of Directors of said corporation to be held at 6829 Farmdale Avenue, North Hollywood, California, for the transaction of business of said corporation on September 26, 1988 for the purpose of:

1. To consider and act upon matters relating to current and new operating problems.
2. Transact any such other business as may come before the meeting.

This Waiver of Notice and Consent to said meeting is made in compliance with the terms of Section 815 of the Corporation Code of California, and the undersigned hereby consent that the same may be made a part of the records of said meeting and that any business transacted at said meeting shall be as valid as if it had been at a meeting regularly called or noticed.


Dated at North Hollywood, California, this 26th day of September 1988.




Niels Bruun-Andersen



Bart M. Hackley



Inge Bruun-Andersen



MINUTES OF SPECIAL MEETING OF  
BOARD OF DIRECTORS  
OF

BRANDER INDUSTRIES, INC.

A Special Meeting of the Board of Directors of Brander Industries, Inc., was held at the office of the Corporation at 6829 Farmdale Avenue, North Hollywood, California on September 26, 1988, at 5:00 P.M. o'clock.

This meeting of the Board of Directors was held pursuant to Written Waiver of Notice and Consent signed by all Directors of the Corporation.

There were originally present the following Directors,  
being a quorum of the Directors:

NIELS BRUUN-ANDERSEN  
INGE BRUUN-ANDERSEN  
BART M. HACKLEY

Mr. Niels Bruun-Andersen, President of the Corporation, acted as Chairman of the meeting, and Mr. Bart M. Hackley, Vice-President of the Corporation, acted as Secretary of the meeting.

The Chairman opened the meeting by informing the Board that our attorney representing us on the Vista Del Mar controversy was continuing the due diligence process, preparatory to trial of the case in the courts in Santa Ana.

Director Bart Hackley then informed the Board that he had as yet not heard from Mr Ed Troy with confirmation of the validity of the DKM offer, however he has been assured by Mr. Troy that he would have written verification in the very near future.

The Board then addressed the subject of the officers of the corporation, and that the Articles of Incorporation state that the officers should be elected to office annually.

Upon motion of Director Bart M. Hackley, seconded by Director Inge Bruun-Andersen, the following resolution was offered and unanimously passed:

BE IT RESOLVED that Niels Bruun-Andersen  
elected President of the company.

Upon motion of Director Niels Bruun-Andersen, seconded by Director Inge Bruun-Andersen, the following resolution was offered and unanimously passed:

BE IT RESOLVED that Bart M. Hackley be  
elected Vice President and Secretary of  
the company.

Upon motion of Director Niels Bruun-Andersen, seconded by Director Bart M. Hackley, the following resolution was offered and unanimously passed:

BE IT RESOLVED that Inge Bruun-Andersen be  
elected Treasurer of the company.

Director Bart M. Hackley then suggested that since this would be the last meeting prior to the end of the company's fiscal year, the Board should address the subject of a bonus for the officers of the company as well as Brander Land Company our managing consulting company.

Upon motion of Director Inge Bruun-Andersen, seconded by Director Bart M. Hackley, the following resolution was offered and unanimously passed:

BE IT RESOLVED that the Corporation pay a bonus of [REDACTED] FX-6 Personal Privacy

**FX-6 Personal Privacy**

company, and to Brander Land Company our management consulting company.

Director Bart M. Hackley then suggested that the Board consider the preparation of the financial statements for the fiscal year ending September 30, 1988. He stated that we had no certified audit last year, and he felt that one would not be necessary for the current fiscal year now ending.

Upon motion of Director Niels Bruun-Andersen, seconded by Director Bart M. Hackley, the following resolutions were offered and unanimously passed:

BE IT RESOLVED that the company forego a certified audit for its fiscal year ended September 30, 1988, and

BE IT FURTHER RESOLVED that the Board of Directors ratify and affirm all actions taken by the officers of the Corporation during the current fiscal year now ending.

Director Bart M. Hackley then introduced the subject of Pacific Steel Treating Co., Inc. and its fiscal year now ending. He stated that it appears that on a sales volume of approximately \$3,100,000.00 the company will realize a profit from operations and after officers and managers bonuses as well as before the provision for federal income tax of \$150,000.00. The Board expressed pleasure with the recovery taking place in this company, and it appears that next year the company will realize even greater improvement.

There was then a general discussion regarding the subject of changing the company from a California corporation to a South Dakota corporation, and the subsequent business advantages. The Chairman stated that one of the primary advantages would be that the company will be selling its subsidiaries, and then will no longer be doing business in California. The business functions will then be done from his residence in Sioux Falls, South Dakota.

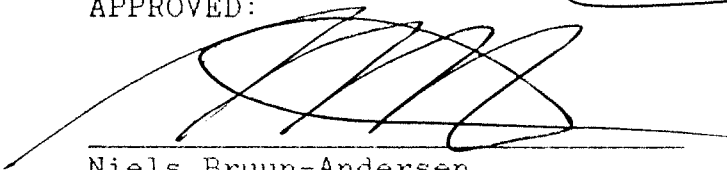
Upon motion of Director Bart M. Hackley, seconded by Director Inge Bruun-Andersen, the following resolution was offered and unanimously passed:


BE IT RESOLVED that the Chairman, with the advice from counsel, take whatever action is deemed necessary to change the company from a California corporation to a South Dakota corporation.

There being no further business, the meeting was adjourned.

APPROVED:

  
Bart M. Hackley

  
Niels Bruun-Andersen

  
Inge Bruun-Andersen

**Schedule L Balance Sheets**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash .....		146,296		276,697
2a Trade notes and accounts receivable .....	1,588		25,611	
b Less allowance for bad debts .....	( )	1,588	( )	25,611
3 Inventories .....				
4 U.S. government obligations .....				
5 Tax-exempt securities (see instructions) .....				
6 Other current assets (attach sch.) .SEE. ST...4		43,683		15,503
7 Loans to stockholders .....		434		434
8 Mortgage and real estate loans .....				
9 Other investments (attach sch.) ...SEE. ST...4		4,063		4,063
10a Buildings and other depreciable assets .....	45,687		58,126	
b Less accumulated depreciation .....	( 19,787)	25,900	( 42,284)	15,842
11a Depletable assets .....				
b Less accumulated depletion .....	( )		( )	
12 Land (net of any amortization) .....		400,741		400,741
13a Intangible assets (amortizable only) .....	3,428		3,428	
b Less accumulated amortization .....	( 1,372)	2,056	( 2,058)	1,370
14 Other assets (attach schedule) ...SEE. ST...4		867,597		867,597
15 Total assets .....		1,492,358		1,607,858
<b>Liabilities and Stockholders' Equity</b>				
16 Accounts payable .....		5,477		3,845
17 Mortgages, notes, bonds payable in less than 1 year				
18 Other current liabilities (attach sch.)SEE. ST...4		20,503		73,137
19 Loans from stockholders .....				
20 Mortgages, notes, bonds payable in 1 year or more .		38,654		36,322
21 Other liabilities (attach sch.) .....				
22 Capital stock: a Preferred stock .....				
b Common stock .....	11,000	11,000	11,000	11,000
23 Paid-in or capital surplus .....				
24 Retained earnings - Appropriated .....				
25 Retained earnings - Unappropriated .....		1,416,724		1,483,554
26 Less cost of treasury stock .....		( )		( )
27 Total liabilities and stockholders' equity .....		1,492,358		1,607,858

**Schedule M-1 Reconciliation of Income per Books With Income per Return** (This schedule does not have to be completed if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income per books .....	69,834	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax .....	18,370	a Tax-exempt interest\$ _____	
3 Excess of capital losses over capital gains .....			
4 Income subject to tax not recorded on books this year (itemize): _____		8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation. .... \$ _____	
a Depreciation .....		b Contrib. carryover . \$ _____	
b Contributions carryover .....			
c Travel and entertainment .... \$ 385		9 Add lines 7 and 8 .....	
	385	10 Income (line 28, pg 1)-line 6 less line 9.	88,589
6 Add lines 1 through 5. ....	88,589		

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

(This schedule does not have to be completed if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Balance at beginning of year .....	1,416,724	5 Distributions: a Cash .....	
2 Net income per books .....	69,834	b Stock .....	
3 Other increases (itemize): _____		c Property .....	
		6 Other decreases (itemize):	
		SEE STATEMENT 5	3,004
		7 Add lines 5 and 6 .....	3,004
4 Add lines 1, 2, and 3 .....	1,486,558	8 Balance at end of year (line 4 less ln 7).	1,483,554

---

	BEGINNING	ENDING
--	-----------	--------

---

## LINE 6 - OTHER CURRENT ASSETS

PREPAID FTB:FORM 100-1992	8,600	4,770
PREPAID IRS:FORM 1120-1992	32,000	8,006
PREPAID INSURANCE/INTEREST	1,335	2,614
DEFERRED CHARGES TO EXPENSE	1,480	0
OTHER	268	113
	-----	-----
TOTAL	43,683	15,503

---

## LINE 9 - OTHER INVESTMENTS

ART	4,063	4,063
	-----	-----
TOTAL	4,063	4,063

---

## LINE 14 - OTHER ASSETS

INVESTMENT IN PACIFIC STEEL	819,097	819,097
CASH VALUE-OFFICERS' LIFE INSUR	48,500	48,500
	-----	-----
TOTAL	867,597	867,597

---



BEGINNING                      ENDING

---

LINE 18 - OTHER CURRENT LIABILITIES

ACCRUED TAXES-PAYROLL	5,263	1,108
ACCRUED PAYROLL	14,566	25,755
OTHER	674	0
ACCRUED INSURANCE	0	46,274
	-----	-----
TOTAL	20,503	73,137

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SCHEDULE M-2 LINE 6 - OTHER DECREASES

P.P.A.	3,004
	-----
TOTAL	3,004

---

Form 4562

# Depreciation and Amortization

## (Including Information on Listed Property)

OMB No. 1545-0172

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

▶ Attach this form to your return.

1991

Attachment  
Sequence No. 67

Name(s) shown on return

Identifying number

BRANDER INDUSTRIES INCORPORATED

46-0403303

Business or activity to which this form relates

FORM 1120

**Part I Election To Expense Certain Tangible Property (Section 179)**

(Note: If you have any "Listed Property," complete Part V.)

1	Maximum dollar limitation (see instructions)	1	\$10,000
2	Total cost of section 179 property placed in service during the tax year (see instructions)	2	12,439
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation - Subtract line 3 from line 2, but do not enter less than -0-	4	0
5	Dollar limitation for tax year - Subtract line 4 from line 1, but do not enter less than -0-	5	10,000
6	(a) Description of property	(b) Cost	(c) Elected cost
	5-YEAR OF. EQ.-1991	12,439	7,200
	5-YEAR EQUIPMENT	1,116	1,116
7	Listed property - Enter amount from line 26	7	0
8	Total elected cost of section 179 property - Add amounts in column (c), lines 6 and 7	8	8,316
9	Tentative deduction - Enter the lesser of line 5 or line 8	9	8,316
10	Carryover of disallowed deduction from 1990 (see instructions)	10	0
11	Taxable income limitation - Enter the lesser of taxable income or line 5 (see instructions)	11	10,000
12	Section 179 expense deduction - Add lines 9 and 10, but do not enter more than line 11	12	8,316
13	Carryover of disallowed deduction to 1992 - Add lines 9 and 10, less line 12	13	0

Note: Do not use Part II or Part III below for automobiles, certain other vehicles, cellular telephones, computers, or property used for entertainment, recreation, or amusement (listed property). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1991 Tax Year**

(Do Not Include Listed Property)

(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (Business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>14 General Depreciation System (GDS) (see instructions):</b>						
a 3-year property						
b 5-year property		5,239	5	HY	200DB	1,048
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property						
h Nonresidential real property						
<b>15 Alternative Depreciation System (ADS):</b>						
a Class life						
b 12-year						
c 40-year						

**Part III Other Depreciation (Do Not Include Listed Property)**

16	GDS and ADS deductions for assets placed in service in tax years beginning before 1991 (see instructions)	16	12,403
17	Property subject to section 168(f)(1) election (see instructions)	17	
18	ACRS and other depreciation (see instructions)	18	1,416

**Part IV Summary**

19	Listed property - Enter amount from line 25	19	
20	Total - Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations - see instructions)	20	23,183
21	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	21	

1991 FEDERAL DEPRECIABLE BASIS SCHEDULE

NO.	COST/ BASIS	BUS. PCT.	BUSINESS BASIS	SEC 179	ITC FAS REDU (TN	BONUS DEPR.	DB DEPREC.	SALVAGE VALUE	DEPR. BASIS
FORM 1120									
1	400,741	100	400,741						400,741
2	9,798	100	9,798	9,798					0
3	5,047	100	5,047						5,047
4	192	100	192						192
5	12,439	100	12,439	7,200					5,239
6	1,116	100	1,116	1,116					0
7	24,910	100	24,910						24,910
8	1,888	100	1,888						1,888
9	2,736	100	2,736						2,736
10	3,428	100	3,428						3,428
	462,295		462,295	18114	0	0	0	0	444,181

12/31/91  
PAGE 1

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FORM 1120

# Alternative Minimum Tax - Corporations (including environmental tax)

1991

Department of the Treasury  
Internal Revenue Service

▶ See separate instructions.

▶ Attach to your tax return.

Name

Employer identification number

BRANDER INDUSTRIES INCORPORATED

46-0403303

1		Taxable income or (loss) before net operating loss deduction. (Important: See instructions if you are subject to the environmental tax.)	1	88,589
<b>2 Adjustments:</b>				
a	2a	Depreciation of tangible property placed in service after 1986		9,888
b	2b	Amortization of certified pollution control facilities placed in service after 1986		
c	2c	Amortization of mining exploration and development costs paid or incurred after 1986		
d	2d	Amortization of circulation expenditures paid or incurred after 1986 (personal holding companies only)		
e	2e	Basis adjustments in determining gain or loss from sale or exchange of property		
f	2f	Long-term contracts entered into after February 28, 1986		
g	2g	Installment sales of certain property		
h	2h	Merchant marine capital construction funds		
i	2i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		
j	2j	Tax shelter farm activities (personal service corporations only)		
k	2k	Passive activities (closely held corporations and personal service corporations only)		
l	2l	Certain loss limitations		
m	2m	Other adjustments		
n	2n	Combine lines 2a through 2m		9,888
<b>3 Tax preference items:</b>				
a	3a	Depletion		
b	3b	Tax-exempt interest from private activity bonds issued after August 7, 1986		
c	3c	Appreciated property charitable deduction		
d	3d	Intangible drilling costs		
e	3e	Reserves for losses on bad debts of financial institutions		
f	3f	Accelerated depreciation of real property placed in service before 1987		
g	3g	Accelerated depreciation of leased personal property placed in service before 1987 (personal holding companies only)		
h	3h	Amortization of certified pollution control facilities placed in service before 1987		
i	3i	Add lines 3a through 3h		
4	4	Pre-adjustment alternative minimum taxable income. Combine lines 1, 2n, and 3i		98,477
5	5	Adjusted current earnings adjustment. Enter the amount from line 12 of the worksheet on page 7 of the instructions		573
6	6	Combine lines 4 and 5. If zero or less, stop here (you are not subject to the alternative minimum tax)		99,050
7	7	Adjustment based on energy preferences. (Do not enter more than 40% of line 6.)		
8	8	Alternative tax net operating loss deduction. (Do not enter the excess, if any, of: (a) 90% of line 6, over (b) line 7.)		
9	9	Alternative minimum taxable income. Subtract the sum of lines 7 and 8 from line 6.		99,050
<b>10 Exemption phase-out computation (if line 9 is \$310,000 or more, skip lines 10a and 10b and enter -0- on line 10c):</b>				
a	10a	Subtract \$150,000 from line 9 (if you are a member of a controlled group, see instructions). If the result is zero or less, enter -0-		0
b	10b	Multiply line 10a by 25%		
c	10c	Exemption. Subtract line 10b from \$40,000 (if you are a member of a controlled group, see instructions). If the result is zero or less, enter -0-		40,000
11	11	Subtract line 10c from line 9. If the result is zero or less, enter -0-		59,050
12	12	Multiply line 11 by 20%		11,810
13	13	Alternative minimum tax foreign tax credit (see instructions for limitations.)		
14	14	Tentative minimum tax. Subtract line 13 from line 12.		11,810
15	15	Regular tax liability before all credits except the foreign tax credit and possessions tax credit.		18,370
16	16	Alternative minimum tax - Subtract line 15 from line 14. If the result is zero or less, enter -0-. Also enter the result on line 9a, Schedule J, Form 1120, or on the comparable line of other income tax returns		0
17	17	Environmental tax - Subtract \$2,000,000 from line 6 (computed without regard to your environmental tax deduction) and multiply the excess, if any, by 0.12% (.0012). Enter on line 9b, Schedule J, Form 1120, or on the comparable line of other income tax returns (members of a controlled group, see instructions)		0

BRANDER INDUSTRIES INCORPORATED  
46-0403303

12/31/91  
PAGE 1

1991 ALTERNATIVE MINIMUM TAX  
DEPRECIATION SCHEDULE

NO.	DESCRIPTION	DATE ACQUIRED	DEPR. BASIS	PRIOR DEPREC.	METHOD	LIFE	RATE	DEPR.
FORM 1120								
2	OF. EQ.-VARIOU	1/01/89	0		150DB 1/2	12	.10250	0
3	OF. EQ.-COMPUT	1/17/90	5,047		150DB 1/2	12	.11720	592
4	OF. EQ.-CALCUL	10/11/90	192		150DB 1/2	12	.11720	23
5	OF. EQ.-1991	VARIOUS	5,239		150DB 1/2	12	.06250	327
6	EQUIPMENT	1/01/89	0		150DB 1/2	12	.10250	0
7	TRUCK	5/31/89	24,910		150DB 1/2	12	.10250	2,553
9	BUILDING-RESID	1/01/89	2,736		S/L 1/12	40	.02500	68
10	ORGANIZATIONAL	1/01/89	3,428			5		0
			41,552	0				3,563

## FEDERAL COMPUTATION

BRANDER INDUSTRIES INCORPORATED 46-0403303

## Adjusted Current Earnings Adjustment Worksheet

► See Worksheet Instructions (which begin on page 5).

1	Pre-adjustment AMTI (enter the amount from line 4 of Form 4626)	1	98,477
2	ACE depreciation adjustment:		
a	Depreciation expense recomputed for AMT purposes	2a	13,295
b	Depreciation expense recomputed for ACE purposes:		
(i)	Post-1989 property	2b(i)	7,855
(ii)	Pre-1990 MACRS property	2b(ii)	3,260
(iii)	Pre-1990 original ACRS property	2b(iii)	
(iv)	Property described in sections 168(f)(1) through (4)	2b(iv)	
(v)	Other property	2b(v)	1,416
(vi)	Total depreciation expense recomputed for ACE Purposes (add lines 2b(i) through 2b(v))	2b(vi)	12,531
c	ACE depreciation adjustment (subtract line 2b(vi) from line 2a)	2c	764
3	Inclusion in ACE of items included in E&P:		
a	Tax-exempt interest income	3a	
b	Death benefits from life insurance contracts	3b	
c	All other distributions from life insurance contracts (including surrenders)	3c	
d	Inside buildup of undistributed income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e	
f	Total increase to ACE due to inclusion in ACE of items included in E&P (add lines 3a through 3e)	3f	0
4	Disallowance of items not deductible in computing E&P:		
a	Certain dividends received	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	
d	Non-patronage dividends that are paid and deductible under section 1332(c)	4d	
e	Other items (see Regulations section 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e	
f	Total increase to ACE due to disallowance of items not deductible in computing E&P (add lines 4a through 4e)	4f	0
5	Certain other E&P adjustments:		
a	Intangible drilling costs	5a	
b	Circulation expenditures	5b	
c	Organizational expenditures	5c	
d	LIFO inventory adjustments	5d	
e	Installment sales	5e	
f	Total other E&P adjustments (combine lines 5a through 5e)	5f	0
6	Disallowance of loss on exchange of debt pools	6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts	7	
8	Depletion	8	
9	Basis adjustments in determining gain or loss from sale or exchange of property	9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9	10	99,241
11	Subtract line 1 from line 10 (see instructions for examples). See instructions for limitation on negative amounts that may be entered on this line	11	764
12	Adjusted current earnings adjustment. Multiply line 11 by 75%. Enter the result here and on line 5 of Form 4626	12	573



BRANDER INDUSTRIES INCORPORATED  
46-0403303

12/31/91  
PAGE 1

1991 ADJUSTED CURRENT EARNINGS  
DEPRECIATION SCHEDULE

NO.	DESCRIPTION	DATE ACQUIRED	DEPR. BASIS	PRIOR DEPREC.	METHOD	LIFE	RATE	DEPR.
FORM 1120								
1	LAND	1/01/89	0					0
2	OF. EQ.-VARIOU	1/01/89	0		S/L 1/2	12		0
3	OF. EQ.-COMPUT	1/17/90	5,047		S/L 1/2	12		421
4	OF. EQ.-CALCUL	10/11/90	192		S/L 1/2	12		16
5	OF. EQ.-1991	VARIOUS	5,239		S/L 1/2	12		218
6	EQUIPMENT	1/01/89	0		S/L 1/2	12		0
7	TRUCK	5/31/89	24,910		S/L 1/2	12		2,076
8	LEASEHOLD IMPR	7/11/89	1,888		S/L	2.500		730
9	BUILDING-RESID	1/01/89	2,736		S/L 1/12	40		68
10	ORGANIZATIONAL	1/01/89	3,428		S/L	5		686
			43,440	0				4,215

Form 120

Department of the Treasury  
Internal Revenue Service

## U. S. Corporation Income Tax Return

For calendar year 1991 or tax year beginning \_\_\_\_\_, 1991, ending \_\_\_\_\_, 19

OMB No. 1545-0123

1991

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

## A Check if a -

- (1) Consolidated return (attach Form 851) ☐  
(2) Personal holding co. (attach Sch. PH) ☐  
(3) Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T-see instructions) ☐

Use  
IRS  
label.  
Other-  
wise,  
please  
print  
or type.BRANDER INDUSTRIES INCORPORATED  
6829 FARMDALE AVENUE  
NORTH HOLLYWOOD, CA 91605

## B Employer identification number

46-0403303

## C Date incorporated

01/01/89

## D Total assets (See Specific Instructions)

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

\$ 1,607,858

INCOME		DEDUCTIONS		TAX AND PAYMENTS	
1a	Gross receipts or sales	b	Less returns and allowances	c	Balance
2	Cost of goods sold (Schedule A, line 7)				
3	Gross profit. Subtract line 2 from line 1c				
4	Dividends (Schedule C, line 19)				
5	Interest				6,077
6	Gross rents				95,755
7	Gross royalties				
8	Capital gain net income (attach Schedule D (Form 1120))				
9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)				
10	Other income (see instructions - attach schedule)				SEE STATEMENT 1
11	Total income. Add lines 3 through 10				603,789
12	Compensation of officers (Schedule E, line 4)				42,292
13a	Salaries and wages	277,258	b Less jobs credit	c	Balance
14	Repairs				277,258
15	Bad debts				1,061
16	Rents				78,924
17	Taxes				SEE STATEMENT 2
18	Interest				39,535
19	Contributions (see instructions for 10% limitation)				1,725
20	Depreciation (attach Form 4562)	20	23,183		
21	Less depreciation claimed in Schedule A and elsewhere on return	21a		21b	23,183
22	Depletion				
23	Advertising				379
24	Pension, profit-sharing, etc., plans				
25	Employee benefit programs				
26	Other deductions (attach schedule)				SEE STATEMENT 2
27	Total deductions. Add lines 12 through 26				515,200
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				88,589
29	Less: a Net operating loss deduction (see instructions)	29a			
	b Special deductions (Schedule C, line 20)	29b		29c	
30	Taxable income. Subtract line 29c from line 28				88,589
31	Total tax (Schedule J, line 10)				18,370
32	Payments:				
a	1990 overpayment credited to 1991	32a	13,500		
b	1991 estimated tax payments	32b	2,876		
c	Less 1991 refund applied for, Form 4466	32c	( )	d Bal	
e	Tax deposited with Form 7004			32d	16,376
f	Credit from regulated investment companies (attach Form 2439)			32e	10,000
g	Credit for Federal tax on fuels (attach Form 4136). See instructions			32f	
				32g	
				32h	26,376
33	Estimated tax penalty (see page 4 of instructions). Check if Form 2220 is attached				
34	Tax due. If the total of lines 31 and 33 is larger than line 32h, enter amount owed				
35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid				8,006
36	Enter amount of line 35 you want: Credited to 1992 estimated tax		8,006	Refunded	

Please  
Sign  
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

Paid  
Preparer's  
Use OnlyPreparer's  
signature

RICHARD K. LIEBERMAN

Date

Check if  
self-em-  
ployed ☐

Preparer's social security number

FX-6 Personal Privacy

Firm's name (or  
yours, if self-employed)  
and addressFRIED, LIEBERMAN & ASSOCIATES  
2049 CENTURY PARK EAST, #440  
LOS ANGELES, CA

E.I. No. ▶ 95-4349749

ZIP code  
▶ 90067

CLIENT BRANDER

STATEMENT 1 - FORM 1120  
BRANDER INDUSTRIES INCORPORATED  
46-0403303

PAGE 1

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LINE 10 - OTHER INCOME

MANAGEMENT FEES

501,957

TOTAL

-----  
501,957

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LINE 17 - TAXES

CITY BUS LICENSE	2,664
PROPERTY	802
STATE TAX-MONTANA	1,827
STATE TAX-CALIFORNIA	6,000
SECRETATARY OF STATE	25
PAYROLL	28,217
	-----
TOTAL	39,535

---

## LINE 26 - OTHER DEDUCTIONS

BUS. MEALS-80%	1,541
DUES & SUBSCRIPTIONS	56
INSURANCE	43,558
LEGAL FEES	702
OFFICE EXPENSES	1,570
POSTAGE	286
TELEPHONE	1,279
TRAVEL	1,385
TRUCK EXPENSES	322
UTILITIES	144
	-----
TOTAL	50,843

---

**Schedule A** Cost of Goods Sold (See instructions.)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4a	Additional section 263A costs (see instructions—attach schedule)	4a	
b	Other costs (attach schedule)	4b	
5	Total. Add lines 1 through 4b	5	
6	Inventory at end of year	6	
7	Cost of goods sold. Subtract line 6 from line 5. Enter here and on line 2, page 1	7	

**8a** Check all methods used for valuing closing inventory:

- (i) ☐ Cost (ii) ☐ Lower of cost of market as described in Regulations section 1.471-4 (see instructions)  
 (iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)  
 (iv) ☐ Other (Specify method used and attach explanation.) ▶

**b** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

**c** If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO. 8c

**d** Do the rules of section 263A (for property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

**e** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. ☐ Yes ☐ No

**Schedule C** Dividends and Special Deductions (See instructions.)

	(a) Dividends received	(b) %	(c) Special deductions: (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A)	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities	41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities	47.059	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction	80	
8	Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))	100	
9	Total. Add lines 1 through 8. See instructions for limitation		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))	100	
12	Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11		
14	Income from controlled foreign corporations under subpart F (attach Forms 5471)		
15	Foreign dividend gross-up (section 78)		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))		
17	Other dividends		
18	Deduction for dividends paid on certain preferred stock of public utilities (see instructions)		
19	Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1 ▶		
20	Total deductions - Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶		

**Schedule E** Compensation of Officers (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a, page 1, line 4 through 10, of page 1, Form 1120) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
NIELS BRUUN-ANDERSEN	FX-6 Personal Privacy	50 %	100 %	%	
BART M HACKLEY		50 %	%	%	32,282
ERIK BRUUN-ANDERSEN		40 %	%	%	10,010
		%	%	%	
		%	%	%	
2	Total compensation of officers				42,292
3	Less: Compensation of officers claimed on Schedule A and elsewhere on return				( )
4	Compensation of officers deducted on line 12, page 1				42,292

**Schedule J Tax Computation**

1	Check if you are a member of a controlled group (see sections 1561 and 1563) .....	<input type="checkbox"/>	
2	If the box on line 1 is checked:		
a	Enter your share of the \$50,000 and \$25,000 taxable income bracket amounts (in that order): (I) \$ ..... (II) \$ .....		
b	Enter your share of the additional 5% tax (not over \$11,750) .....	\$ .....	
3	Income tax (see instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see instructions on page 13) .....	<input type="checkbox"/>	3 18,370
4a	Foreign tax credit (attach Form 1118) .....	4a	
b	Possessions tax credit (attach Form 5735) .....	4b	
c	Orphan drug credit (attach Form 6765) .....	4c	
d	Credit for fuel produced from a nonconventional source (see instructions) .....	4d	
e	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884 <input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586 <input type="checkbox"/> Form 8830 <input type="checkbox"/> Form 8826 .....	4e	
f	Credit for prior year minimum tax (attach Form 8827) .....	4f	
5	Total. Add lines 4a through 4f .....	5	
6	Subtract line 5 from line 3. ....	6	18,370
7	Personal holding company tax (attach Schedule PH (Form 1120)) .....	7	
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 .....	8	
9a	Alternative minimum tax (attach Form 4626). See instructions. ....	9a	
b	Environmental tax (attach Form 4626) .....	9b	
10	Total tax. Add lines 6 through 9b. Enter here and on line 31, page 1 .....	10	18,370

**Schedule K Other Information** (See page 15 of the instructions.)

1	Check method of accounting: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶ .....	Yes No	
2	Refer to the list in the Instructions and state the principal: a Business activity code no. ▶ 8600 b Business activity ▶ MGT SERVICES c Product or service ▶ .....		
3	Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) .... If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.	X	
4	Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete a and b .....	X	
a	Attach a schedule showing name, address, and identifying number. SEE ST. 3		
b	Enter percentage owned ▶ SEE ST. 3		
5	Did one foreign person (see instructions for definition) at any time during the tax year own at least 25% of : a The total voting power of all classes of stock of the corporation entitled to vote, or b The total value of all classes of stock of the corporation? .... If "Yes," the corporation may have to file Form 5472. If "Yes," enter owner's country(ies) ▶ ..... Enter number of Forms 5472 attached ▶ .....	X	
6	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) .... If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶ .....		X
7	At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? .....		X
8	Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? .....		X
9	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) .... If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		X
10	Check this box if the corporation issued publicly offered debt instruments with original issue discount .....		<input type="checkbox"/>
11	Enter the amount of tax-exempt interest received or accrued during the tax year .....	\$ .....	
12	If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ .....	1	

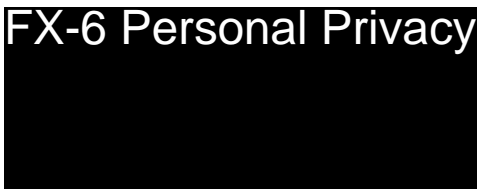
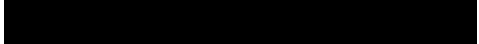
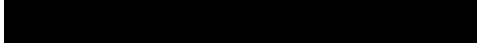
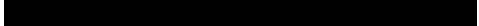
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LINE 3 - OWNERSHIP OF 50% OR MORE OF DOMESTIC CORPORATION

NAME : PACIFIC STEEL TREATING CO., INC.  
ADDRESS : 6829 FARMDALE, N. HOLLYWOOD, CA 91605  
ID NUMBER : 95-2506490  
PERCENTAGE OWNED : 71  
TAXABLE INCOME : -93,286

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## LINE 4(a) - OFFICERS OWNING 50% OR MORE OF VOTING STOCK

NAME OF OFFICER : FX-6 Personal Privacy  
STREET ADDRESS :   
CITY, STATE, ZIP :   
SOCIAL SECURITY #:   
% OF VOTING STOCK: 

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2166-04277  
OMB No. 1545-0123

**U.S. Corporation Income Tax Return**

For calendar year 1990 or tax year beginning \_\_\_\_\_, 1990, ending \_\_\_\_\_, 19\_\_\_\_  
▶ Instructions are separate. See page 1 or Paperwork Reduction Act Notice.

**1990**

Check if a—  
A Consolidated return ☐  
B Personal holding co. ☐  
C Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T—see Instructions) ☐

Use IRS label \*\*\*\*\* CAR-RT-SORT\*\*CRO5  
BI 46-0403303 DEC90 S89 8600 M  
Oth BRANDER INDUSTRIES INCORPORATED  
wisi 6829 FARMDALE AVE 013  
plez N HOLLYWOOD CA 91605  
prin or type.

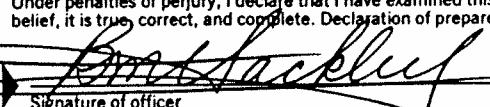
D Employer identification number \_\_\_\_\_  
E Date incorporated 1/01/89  
F Total assets (see Specific Instructions) 1,492,358 00

6 Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change in address

Income	1a	Gross receipts or sales		b	Less returns and allowances		c	Bal ▶	1c		
	2	Cost of goods sold (Schedule A, line 7).							2		
	3	Gross profit (line 1c less line 2)							3		
	4	Dividends (Schedule C, line 19)							4		
	5	Interest							5	13,024	68
	6	Gross rents							6	92,720	00
	7	Gross royalties							7		
	8	Capital gain net income (attach Schedule D (Form 1120))							8	5,486	40
	9	Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)							9		
	10	Other income (see Instructions—attach schedule). Schedule 1							10	436,248	34
	11	Total Income—Add lines 3 through 10							11	547,479	42

Deductions (See Instructions for limitations on deductions.)	22	Depletion		23	Advertising		24		12	67,076	31
	24	Pension, profit-sharing, etc., plans		25	Employee benefit programs		26		13c	235,568	64
	26	Other deductions (attach schedule) Schedule 1		27	Total deductions—Add lines 12 through 26		28		14		
	28	Taxable income before net operating loss deduction and special deductions (line 11 less line 27)		29a	Less: a Net operating loss deduction (see Instructions)		29b		15		
	29b	b Special deductions (Schedule C, line 20)		30	Taxable income—Line 28 less line 29c		31		16	78,900	00
	30	Taxable income—Line 28 less line 29c		31	Total tax (Schedule J, line 10)		32		17	32,229	39
	31	Total tax (Schedule J, line 10)		32a	Payments: a 1989 overpayment credited to 1990		32b		18	3,019	47
	32a	b 1990 estimated tax payments		32c	c Less 1990 refund applied for on Form 4466		32d		19	100	00
	32b	c Less 1990 refund applied for on Form 4466		32e	d Tax deposited with Form 7004		32f		20	6,805	41
	32c	d Tax deposited with Form 7004		32g	e Credit from regulated investment companies (attach Form 2439)		32h		21a		
	32d	e Credit from regulated investment companies (attach Form 2439)		32e	f Credit for Federal tax on fuels (attach Form 4136). See Instructions		32f		22		
	32e	f Credit for Federal tax on fuels (attach Form 4136). See Instructions		32f	g Enter any penalty for underpayment of estimated tax—Check <input type="checkbox"/> if Form 2220 is attached		32g		23		
	32f	g Enter any penalty for underpayment of estimated tax—Check <input type="checkbox"/> if Form 2220 is attached		32g	34 Tax due—If the total of lines 31 and 33 is larger than line 32h, enter amount owed		34		24		
	32g	34 Tax due—If the total of lines 31 and 33 is larger than line 32h, enter amount owed		34	35 Overpayment—If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35		25	1,908	98
	34	35 Overpayment—If line 32h is larger than the total of lines 31 and 33, enter amount overpaid		35	36 Enter amount of line 35 you want: Credited to 1991 estimated tax ▶ 13,500 00 Refunded ▶		36		26	48,291	76
	35	36 Enter amount of line 35 you want: Credited to 1991 estimated tax ▶ 13,500 00 Refunded ▶		36					27	473,899	96
	36								28	73,579	46

Tax and Payments	30	Taxable income—Line 28 less line 29c		30			30	73,579	46
	31	Total tax (Schedule J, line 10)		31			31	13,394	87
	32a	Payments: a 1989 overpayment credited to 1990		32a					
	32b	b 1990 estimated tax payments		32b	32,000 00				
	32c	c Less 1990 refund applied for on Form 4466		32c					
	32d	d Tax deposited with Form 7004		32d	32,000 00				
	32e	e Credit from regulated investment companies (attach Form 2439)		32e					

Please Sign Here  
Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.  
 3/22/91 Vice President  
Signature of officer Date Title

Paid Preparer's Use Only  
Preparer's signature Date Check if self-employed ☐ Preparer's social security number  
Firm's name (or yours if self-employed) and address E.I. No. ZIP code



**Schedule A Cost of Goods Sold** (See Instructions for line 2, page 1.)

1	Inventory at beginning of year	1	
2	Purchases	2	
3	Cost of labor	3	
4a	Additional section 263A costs (see Instructions—attach schedule)	4a	
b	Other costs (attach schedule)	4b	
5	<b>Total</b> —Add lines 1 through 4b	5	
6	Inventory at end of year	6	
7	<b>Cost of goods sold</b> —Line 5 less line 6. Enter here and on line 2, page 1.	7	

8a Check all methods used for valuing closing inventory:

(I) ☐ Cost (II) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see Instructions)

(III) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see Instructions)

(iv) ☐ Other (Specify method used and attach explanation.) \_\_\_\_\_

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO **8c** \_\_\_\_\_

d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ☐ Yes ☐ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ☐ Yes ☐ No

**Schedule C Dividends and Special Deductions** (See Instructions.)

	(a) Dividends received	(b) %	(c) Special deductions: (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see Instructions	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		41.176	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		47.059	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 <b>Total</b> —Add lines 1 through 8. See Instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Forms 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities (see Instructions)			
19 <b>Total dividends</b> —Add lines 1 through 17. Enter here and on line 4, page 1. ▶			
20 <b>Total deductions</b> —Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 ▶			

**Schedule E Compensation of Officers** (See Instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
1		%	%	%	
Niels Bruun-Andersen	FX-6 Personal Privacy	50 %	100 %	%	---
Bart M. Hackley		100 %	%	%	67,076.31
		%	%	%	
		%	%	%	
2 Total compensation of officers					67,076.31
3 <b>Less:</b> Compensation of officers claimed on Schedule A and elsewhere on return					( )
4 Compensation of officers deducted on line 12, page 1					67,076.31

**Schedule J Tax Computation**

1 Check if you are a member of a controlled group (see sections 1561 and 1563) . . . . . <input type="checkbox"/>			
2 If the box on line 1 is checked:			
a Enter your share of the \$50,000 and \$25,000 taxable income bracket amounts (in that order):			
(i) \$	(ii) \$		
b Enter your share of the additional 5% tax (not to exceed \$11,750) ▶ \$			
3 Income tax (see Instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see Instructions on page 12). ▶ <input type="checkbox"/>		3	13,394 87
4a Foreign tax credit (attach Form 1118)		4a	
b Possessions tax credit (attach Form 5735)		4b	
c Orphan drug credit (attach Form 6765)		4c	
d Credit for fuel produced from a nonconventional source (see Instructions)		4d	
e General business credit. Enter here and check which forms are attached:		4e	
<input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884			
<input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586		4f	
f Credit for prior year minimum tax (attach Form 8801)			
5 Total—Add lines 4a through 4f		5	
6 Line 3 less line 5		6	13,394 87
7 Personal holding company tax (attach Schedule PH (Form 1120))		7	
8 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611		8	
9a Alternative minimum tax (attach Form 4626). See Instructions		9a	
b Environmental tax (attach Form 4626)		9b	
10 Total tax—Add lines 6 through 9b. Enter here and on line 31, page 1		10	13,394 87

<b>Additional Information (See General Instruction F.)</b>		Yes	No
<b>H</b> Refer to the list in the Instructions and state the principal:			
(1) Business activity code no. ▶ 8600			
(2) Business activity ▶ Management			
(3) Product or service ▶ Services			
<b>I</b> (1) Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) . . . . .			
	X		
If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year. Schedule 1			
(2) Did any individual, partnership, corporation, estate, or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) If "Yes," complete (a) through (c). Sch. 1 . . . . .			
(a) Attach a schedule showing name, address, and identifying number.			
(b) Enter percentage owned ▶ 100%			
(c) Was the owner of such voting stock a foreign person? (See Instructions.) Note: If "Yes," the corporation may have to file Form 5472 . . . . .		X	
If "Yes," enter owner's country ▶			
<b>J</b> Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) . . . . .			
	X		
If "Yes," attach Form 5471 for each such corporation.			
<b>K</b> At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? . . . . .			
(See General Instruction F and filing requirements for form TD F 90-22.1.) If "Yes," enter name of foreign country ▶			
<b>L</b> Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? . . . . .			
If "Yes," the corporation may have to file Forms 3520, 3520-A, or 926.			
<b>M</b> During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . . .			
If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.			
<b>N</b> During this tax year, did the corporation maintain any part of its accounting/tax records on a computerized system? . . . . .			
<b>O</b> Check method of accounting:			
(1) <input type="checkbox"/> Cash			
(2) <input checked="" type="checkbox"/> Accrual			
(3) <input type="checkbox"/> Other (specify) ▶			
<b>P</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . <input type="checkbox"/>			
If so, the corporation may have to file Form 8281.			
<b>Q</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$			
<b>R</b> Enter the number of shareholders at the end of the tax year if there were 35 or fewer shareholders ▶			

**Schedule L Balance Sheets**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		400,724		146,296
2a Trade notes and accounts receivable	15,117		1,588	
b Less allowance for bad debts	( )	15,117	( )	1,588
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities (see Instructions)				
6 Other current assets (attach schedule) Sch. 2		21,109		43,683
7 Loans to stockholders		434		434
8 Mortgage and real estate loans				
9 Other investments (attach schedule) Art.		4,063		4,063
10a Buildings and other depreciable assets	40,448		45,687	
b Less accumulated depreciation	( 12,981 )	27,467	( 19,787 )	25,900
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)		400,741		400,741
13a Intangible assets (amortizable only)	3,428		3,428	
b Less accumulated amortization	( 686 )	2,742	( 1,372 )	2,056
14 Other assets (attach schedule) Sch. 2		831,872		867,597
15 Total assets		1,704,269		1,492,358
<b>Liabilities and Stockholders' Equity</b>				
16 Accounts payable		38,858		5,477
17 Mortgages, notes, bonds payable in less than 1 year		18,678		
18 Other current liabilities (attach schedule) Sch. 2		54,575		20,503
19 Loans from stockholders				
20 Mortgages, notes, bonds payable in 1 year or more		93,480		38,654
21 Other liabilities (attach schedule)				
22 Capital stock: a Preferred stock	11,000	11,000	11,000	11,000
b Common stock				
23 Paid-in or capital surplus				
24 Retained earnings—Appropriated (attach schedule)				
25 Retained earnings—Unappropriated		1,487,678		1,416,724
26 Less cost of treasury stock		( )		( )
27 Total liabilities and stockholders' equity		1,704,269		1,492,358

**Schedule M-1 Reconciliation of Income per Books With Income per Return** (This schedule does not have to be completed if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income per books	51,136.85	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax		a Tax-exempt interest \$	
3 Excess of capital losses over capital gains		Officers Life Insur.	4,619.16
4 Income subject to tax not recorded on books this year (itemize): <u>Cancel Officers' Life Ins. (see attachment)</u>	26,288.77	8 Deductions on this return not charged against book income this year (itemize):	
5 Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$	
a Depreciation		b Contributions carryover \$	
b Contributions carryover			
c Travel and entertainment \$ 773.00		9 Total of lines 7 and 8	4,619.16
	773.00	10 Income (line 28, page 1)—line 6 less line 9	73,579.46
6 Total of lines 1 through 5	78,198.62		

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (line 25, Schedule L)** (This schedule does not have to be completed if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Balance at beginning of year	1,487,678	5 Distributions: a Cash Sch. E.	210,000
2 Net income per books	51,137	b Stock	
3 Other increases (itemize):		c Property	
Pacific Steel Earnings		6 Other decreases (itemize): Rounding	2
Increase Net Worth	148,740	1989 Fed. Inc. Tax	60,829
4 Total of lines 1, 2, and 3	1,687,555	7 Total of lines 5 and 6	
		8 Balance at end of year (line 4 less line 7)	1,416,724

**SCHEDULE D**  
**(Form 1120)**

Department of the Treasury  
Internal Revenue Service

**Capital Gains and Losses**

To be filed with Forms 1120, 1120-A, 1120-DF, 1120-IC-DISC, 1120F,  
1120-FSC, 1120-H, 1120L, 1120-ND, 1120-PC, 1120-POL,  
1120-REIT, 1120-RIC, 990-C, and certain Forms 990-T

OMB No. 1545-0123

**1990**

Name

Brander Industries Inc.

Employer identification number

46-0403303

**Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less**

(a) Kind of property and description (Example, 100 shares of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Cost or other basis, plus expense of sale	(f) Gain (or loss) ((d) less (e))
1					
2	Short-term capital gain from installment sales from Form 6252, line 22 or 30				2
3	Unused capital loss carryover (attach computation)				3 ( )
4	Net short-term capital gain or (loss). (Combine lines 1 through 3.)				4

**Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year**

5					
6	Enter gain from Form 4797, line 7 or 9				6
7	Long-term capital gain from installment sales from Form 6252, line 22 or 30				7 5,486.40
8	Net long-term capital gain or (loss). (Combine lines 5 through 7.)				8 5,486.40

**Part III Summary of Parts I and II**

9	Enter excess of net short-term capital gain (line 4) over net long-term capital loss (line 8)	9	5,486.40
10	Net capital gain. Enter excess of net long-term capital gain (line 8) over net short-term capital loss (line 4)	10	
11	Total of lines 9 and 10. Enter here and on Form 1120, line 8, page 1; or the proper line on other returns	11	5,486.40
<b>Note:</b> If losses exceed gains, see instructions on capital losses for explanation of capital loss carrybacks.			

**Instructions**

(Section references are to the Internal Revenue Code unless otherwise noted.)

**Important Tax Law Changes**

New rules apply if the corporation exchanges property with a related party (as defined in section 267(b)) and within 2 years of the date of transfer, either the related party or the corporation disposes of the property. Gain or loss may have to be recognized as of the date of the original exchange. The new rules are effective for transactions after July 10, 1989. See section 1031 for further details and exceptions.

Section 1031(h) provides that real property located in the U.S. and real property located outside the U.S. are not property of like-kind for purposes of section 1031.

**Purpose of Schedule**

Schedule D is used to report sales and exchanges of capital assets for tax years beginning in 1990 if one of the following forms is being filed: Forms 1120, 1120-A,

1120-DF, 1120-IC-DISC, 1120F, 1120-FSC, 1120-H, 1120L, 1120-ND, 1120-PC, 1120-POL, 1120-REIT, 1120-RIC, 990-C, or certain Forms 990-T.

Sales or exchanges of property other than capital assets are reported on Form 4797, Sales of Business Property. Sales or exchanges of property includes property used in a trade or business, involuntary conversions (other than casualties or thefts), gain from the disposition of oil, gas, or geothermal property, and the section 291 adjustment to section 1250 gains. See the instructions for Form 4797 for more information.

If property is involuntarily converted because of a casualty or theft, use Form 4684, Casualties and Thefts.

**Parts I and II**

Generally, a corporation must report sales and exchanges, including "like-kind" exchanges, even though there is no gain or loss. No loss is allowed for a wash sale of stock or securities (including contracts or options to acquire or sell stock or securities)

or from a transaction between related persons. See sections 1091 and 267 for details and exceptions.

Use Part I to report the sale or exchange of capital assets held one year or less. Use Part II to report the sale or exchange of capital assets held more than one year.

**What Are Capital Assets?**—Each item of property the corporation held (whether or not connected with its trade or business) is a capital asset except:

1. Assets that can be inventoried or property held mainly for sale to customers.
2. Depreciable or real property used in the trade or business.
3. Certain copyrights; literary, musical, or artistic compositions; letters or memorandums; or similar property.
4. Accounts or notes receivable acquired in the ordinary course of trade or business for services rendered or from the sale of property described in 1 above.
5. A U.S. Government publication (including the Congressional Record)

**Depreciation and Amortization**  
(Including Information on Listed Property)

▶ See separate instructions.

▶ Attach this form to your return.

OMB No. 1545-0172

**1990**Attachment  
Sequence No. **67**

Name(s) shown on return

Brander Industries, Inc.

Identifying number

46-0403303

Business or activity to which this form relates

Management &amp; Real Estate

**Part I Election To Expense Certain Tangible Property (Section 179)** (Note: If you have any "Listed Property," also complete Part V.)

1	Maximum dollar limitation (see instructions)	1	\$10,000
2	Total cost of section 179 property placed in service during the tax year (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	\$200,000
4	Reduction in limitation—Subtract line 3 from line 2, but do not enter less than -0-	4	
5	Dollar limitation for tax year—Subtract line 4 from line 1, but do not enter less than -0-	5	
6	(a) Description of property	(b) Cost	(c) Elected cost
7	Listed property—Enter amount from line 26	7	
8	Total elected cost of section 179 property—Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction—Enter the lesser of line 5 or line 8	9	
10	Carryover of disallowed deduction from 1989 (see instructions)	10	
11	Taxable income limitation—Enter the lesser of taxable income or line 5 (see instructions)	11	
12	Section 179 expense deduction—Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 1991—Add lines 9 and 10, less line 12 ▶	13	

**Note:** Do not use Part II or Part III below for automobiles, certain other vehicles, cellular telephones, computers, or property used for entertainment, recreation, or amusement (listed property). Instead, use Part V for listed property.

**Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1990 Tax Year (Do Not Include Listed Property)**

(a) Classification of property	(b) Mo. and yr. placed in service	(c) Basis for depreciation (Business use or %—see instruction i)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
<b>14 General Depreciation System (GDS) (see instructions):</b>						
a 3-year property						
b 5-year property		5,238.89	5	4/4	200%DB	1,775.97
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g Residential rental property			27.5 yrs.	MM	S/L	
			27.5 yrs.	MM	S/L	
h Nonresidential real property			31.5 yrs.	MM	S/L	
			31.5 yrs.	MM	S/L	
<b>15 Alternative Depreciation System (ADS) (see instructions):</b>						
a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part III Other Depreciation (Do Not Include Listed Property)**

16	GDS and ADS deductions for assets placed in service in tax years beginning before 1990 (see instructions)	16	
17	Property subject to section 168(f)(1) election (see instructions)	17	
18	ACRS and other depreciation (see instructions)	18	829.44

**Part IV Summary**

19	Listed property—Enter amount from line 25	19	4,200.00
20	Total—Add deductions on line 12, lines 14 and 15 in column (g), and lines 16 through 19. Enter here and on the appropriate lines of your return. (Partnerships and S corporations—see instructions)	20	6,805.41
21	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs (see instructions)	21	



**Part V Listed Property.—Automobiles, Certain Other Vehicles, Cellular Telephones, Computers, and Property Used for Entertainment, Recreation, or Amusement**

If you are using the standard mileage rate or deducting vehicle lease expense, complete columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A.—Depreciation (Caution: See instructions for limitations for automobiles.)**

**22a** Do you have evidence to support the business use claimed? ☒ Yes ☐ No **22b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business use percentage	(d) Cost or other basis	(e) Basis for depreciation (business use only)	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
<b>23 Property used more than 50% in a trade or business:</b>								
'89 3/4T 4x4		%				1/2		
Suburban	5/31/89	100 %	24,910	24,910	5	200%DB	4,200.00	
		%						

**24 Property used 50% or less in a trade or business:**

		%				S/L-		
		%				S/L-		
		%				S/L-		

**25** Add amounts in column (h). Enter the total here and on line 19, page 1 . . . . . **25** 4,200.00

**26** Add amounts in column (i). Enter the total here and on line 7, page 1 . . . . . **26**

**Section B.—Information Regarding Use of Vehicles—If you deduct expenses for vehicles:**

- Always complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
- If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
<b>27</b> Total business miles driven during the year (DO NOT include commuting miles) . . .	16,490											
<b>28</b> Total commuting miles driven during the year . . .	--											
<b>29</b> Total other personal (noncommuting) miles driven . . . . .	--											
<b>30</b> Total miles driven during the year—Add lines 27 through 29 . . . . .	16,490											
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
<b>31</b> Was the vehicle available for personal use during off-duty hours? . . . . .	X											
<b>32</b> Was the vehicle used primarily by a more than 5% owner or related person? . . . .	X											
<b>33</b> Is another vehicle available for personal use? . . . . .	X											

**Section C.—Questions for Employers Who Provide Vehicles for Use by Their Employees**

(Answer these questions to determine if you meet an exception to completing Section B. Note: Section B must always be completed for vehicles used by sole proprietors, partners, or other more than 5% owners or related persons.)

	Yes	No
<b>34</b> Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? . . . . .		
<b>35</b> Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? (See instructions for vehicles used by corporate officers, directors, or 1% or more owners.) . . . . .		
<b>36</b> Do you treat all use of vehicles by employees as personal use? . . . . .		
<b>37</b> Do you provide more than five vehicles to your employees and retain the information received from your employees concerning the use of the vehicles? . . . . .		
<b>38</b> Do you meet the requirements concerning qualified automobile demonstration use (see instructions)? . . . . .		

Note: If your answer to 34, 35, 36, 37, or 38 is "Yes," you need not complete Section B for the covered vehicles.

**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
<b>39</b> Amortization of costs that begins during your 1990 tax year:					
<b>40</b> Amortization of costs that began before 1990. . . . .				<b>40</b>	
<b>41</b> Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return . . . . .				<b>41</b>	

Department of the Treasury  
Internal Revenue Service▶ See separate instructions. ▶ Attach to your tax return.  
Use a separate form for each sale or other disposition of property on the installment method.**1990**  
Attachment  
Sequence No. **79**

Name(s) shown on tax return

Brander Industries, Inc.

Identifying number

46-0403303

- A** Description of property ▶ 654 Ac Land-Musselshell County, Montana
- B** Date acquired (month, day, and year) ▶ 6 / 29 / 79 **C** Date sold (month, day, and year) ▶ 10 / 15 / 84
- D** Was the property sold to a related party after May 14, 1980? (See Instructions.) ☐ Yes ☒ No
- E** If the answer to D is "Yes," was the property a marketable security? (If "Yes," complete Part III. If "No," complete Part III for the year of sale and for 2 years after the year of sale.) ☐ Yes ☐ No

**Part I Gross Profit and Contract Price** (Complete this part for the year of sale only.)

1	Selling price including mortgages and other debts. (Do not include interest whether stated or unstated.)	1	
2	Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source	2	
3	Subtract line 2 from line 1	3	
4	Cost or other basis of property sold	4	
5	Depreciation allowed or allowable	5	
6	Adjusted basis. Subtract line 5 from line 4	6	
7	Commissions and other expenses of sale	7	
8	Income recapture from Form 4797, Part III. See Instructions	8	
9	Add lines 6, 7, and 8	9	
10	Subtract line 9 from line 1. If zero or less, do not complete the rest of this form	10	
11	If the property described in question A above was your main home, enter the total of lines 9g and 15 from Form 2119. Otherwise, enter -0-	11	
12	Gross profit. Subtract line 11 from line 10.	12	
13	Subtract line 9 from line 2. If zero or less, enter -0-	13	
14	Contract price. Add line 3 and line 13	14	

**Part II Installment Sale Income** (Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.)

15	Gross profit percentage. Divide line 12 by line 14. (For years after the year of sale, see Instructions.)	15	19	04
16	For year of sale only—enter amount from line 13 above; otherwise, enter -0-	16		
17	Payments received during year. See Instructions. (Do not include interest whether stated or unstated.)	17	28,822	07
18	Add lines 16 and 17	18	28,822	07
19	Payments received in prior years. See Instructions. (Do not include interest whether stated or unstated.)	19	45,480	00
20	Installment Sale Income. Multiply line 18 by line 15	20	5,486	40
21	Part of line 20 that is ordinary income under recapture rules. See Instructions	21		
22	Subtract line 21 from line 20. Enter here and on Schedule D or Form 4797	22	5,486	40

**Part III Related Party Installment Sale Income** (Do not complete if you received the final payment this tax year.)

**F** Name, address, and taxpayer identifying number of related party .....

**G** Did the related party, during this tax year, resell or dispose of the property ("second disposition")? ☐ Yes ☐ No

**H** If the answer to question G is "Yes," complete lines 23 through 30 below unless one of the following conditions is met (check only the box that applies).

☐ The second disposition was more than two years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶ / /

☐ The first disposition was a sale or exchange of stock to the issuing corporation.

☐ The second disposition was an involuntary conversion where the threat of conversion occurred after the first disposition.

☐ The second disposition occurred after the death of the original seller or buyer.

☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See Instructions.

23	Selling price of property sold by related party	23	
24	Enter contract price from line 14 for year of first sale	24	
25	Enter the smaller of line 23 or line 24	25	
26	Total payments received by the end of your 1990 tax year. Add lines 18 and 19	26	
27	Subtract line 26 from line 25. If zero or less, enter -0-	27	
28	Multiply line 27 by the gross profit percentage on line 15 for year of first sale	28	
29	Part of line 28 that is ordinary income under recapture rules. See Instructions	29	
30	Subtract line 29 from line 28. Enter here and on Schedule D or Form 4797	30	

SCHEDULE 1

BRANDER INDUSTRIES, INC.  
EIN # 46-0403303  
1990

Federal - Page 1, Line 10 - Other Income

Management Fees	\$406,943.68
Proceeds from Cancellation of Officers' Life Insurance Policy. (See Attachment)	26,288.77
Miscellaneous Income	<u>3,015.89</u>
Total	\$436,248.34
	=====

Federal - Page 1, Line 26 - Other Deductions

Insurance	\$35,564.81
Travel	2,841.25
Automobile Expense	915.17
Entertainment	203.68
Business Meals	45.28
Repairs and Maintenance	431.00
Telephone and Telegraph	879.80
Office Supplies	1,252.37
Stationery and Printing	202.67
Postage	542.35
Legal and Auditing	1,846.64
Organization Expense	685.52
General Expense	<u>2,881.22</u>
Total	\$48,291.76
	=====

Federal - Page 3, Question I(1) - Corp. Own 50% Stock?

Pacific Steel Treating Co., Inc.  
 EIN #95-2506490  
 6829 Farmdale Avenue  
 North Hollywood, CA 91605

Percentage Owned: 71%

Taxable Income: \$200,292

Federal - Page Question I(2) - 50% of Corp. Owned?

See Schedule E - Page 2



## SCHEDULE 2

BRANDER INDUSTRIES, INC.  
EIN #46-0403303  
1990

	<u>Beginning</u>	<u>Ending</u>
<u>Federal - Schedule L, Line 6 - Other Current Assets</u>		
Franchise Tax Deposit	\$ 4,700	\$ 8,600
Income Tax Deposit	15,625	32,000
Prepaid Insurance		1,335
Deferred Charges to Expense		1,480
Other	<u>784</u>	<u>268</u>
Total	\$21,109 =====	\$43,683 =====

<u>Federal - Schedule L, Line 13 - Other Assets</u>		
Common Stock of Pacific Steel Treating Co., Inc.	\$670,357	\$819,097
Notes Receivable	35,465	
Cash Value - Officers' Life Insurance	<u>126,050</u>	<u>48,500</u>
Total	\$831,872 =====	\$867,597 =====

<u>Federal - Schedule L, Line 18 - Other Current Liabilities:</u>		
Accrued Taxes	\$ 5,286	\$ 5,263
Accrued Payroll	17,599	14,566
Unrealized Profit	5,486	
Other	6,504	674
Accrued CA Income Tax	15,400	
Accrued MT Income Tax	<u>4,300</u>	
Total	\$54,575 =====	\$20,503 =====

# Application for Automatic Extension of Time To File Corporation Income Tax Return

OMB No. 1545-0233  
Expires 8-31-92

Name of corporation Brander Industries, Inc. Employer identification number 46-0403303

Number and street (or P.O. box number if mail is not delivered to street address)

6829 Farmdale Ave.,

City or town, state, and ZIP code

No. Hollywood, Calif. 91605

Check type of return to be filed:

- |   |  |                                       |   |                                     |
|---|--|---------------------------------------|---|-------------------------------------|
| <input checked="" type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120F    | <input type="checkbox"/> Form 1120L   | <input type="checkbox"/> Form 1120-POL  | <input type="checkbox"/> Form 1120S |
| <input type="checkbox"/> Form 1120-A          | <input type="checkbox"/> Form 1120-FSC | <input type="checkbox"/> Form 1120-ND | <input type="checkbox"/> Form 1120-REIT | <input type="checkbox"/> Form 990-C |
| <input type="checkbox"/> Form 1120-DF         | <input type="checkbox"/> Form 1120-H   | <input type="checkbox"/> Form 1120-PC | <input type="checkbox"/> Form 1120-RIC  | <input type="checkbox"/> Form 990-T |

**Form 1120F filers:** Check here ☐ if you do not have an office or place of business in the U.S.

**1a** I request an automatic 6-month extension of time until September 15, 1991, to file the income tax return of the corporation named above for ☒ calendar year 1990, or ☐ tax year beginning....., 19....., and ending....., 19.....

**b** If this tax year is for less than 12 months, check reason:

- ☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed

**2** If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period

**3** Tentative tax (see instructions) . . . . .

**3** 15,816 00

**4 Credits:**

**a** Overpayment credited from prior year . . .

**4a**

**b** Estimated tax payments for the tax year . . .

**4b**

32,000 00

**c** Less refund for the tax year applied for on Form 4466 . . . . .

**4c**

( ) Bal ▶

**4d**

32,000 00

**e** Credit from regulated investment companies . . . . .

**4e**

**f** Credit for Federal tax on fuels . . . . .

**4f**

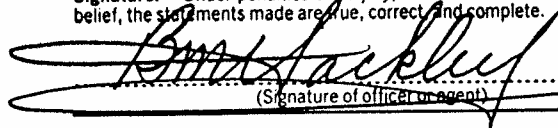
**5** Total—Add lines 4d through 4f . . . . .

**5** 32,000 00

**6** Balance due—Line 3 less line 5. Deposit this amount with a Federal Tax Deposit (FTD) Coupon (see instructions) . . . . .

**6** None

Signature.—Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

  
(Signature of officer or agent)

Vice President

(Title)

3/13/91

(Date)

Brander Industries, Inc.

46-0403303

FYE: 12/31/89

Page

Page 1, Line 10 - Other Income  
-----

Management fees

365,605

-----  
365,605  
=====Page 1, Line 17 - Taxes  
-----

LA City business tax

85

Property taxes

2,050

Auto license

894

Franchise tax

300

BLM

22

Right of way deed

900

CA filing fee

357

Misc.

74

Payroll taxes

21,400

Accrued CA Income tax

15,400

Accrued MT Income tax

4,300

-----  
45,782  
=====Page 1, Line 26 - Other Deductions  
-----

Insurance

27,711

Auto

2,550

Telephone

821

Office supplies

13

Printing

372

Postage

384

Legal

2,395

Leasehold

428

Misc

1,005

Total entertainment

2,043

20% Entertainment Disallowed

-409

Amortization

686

-----  
37,999  
=====

Brander Industries, Inc.

46-0403303

FYE: 12/31/89

Page

Schedule J - Controlled Group Information  
-----

Pacific Metal

Page 3 - Question I(1) - Corp. own 50% stock?  
-----

Pacific Steel Treating Co., Inc.

EIN # 95-2506490

6829 Farmdale Avenue

No. Hollywood, CA 91605

Percentage owned 71%

Taxable income \$310,808

Page 3 - Question I(2) - 50% of corp. owned?  
-----

See Schedule E -- Page 2

# U.S. Corporation Income Tax Return

For calendar year 1989 or tax year beginning \_\_\_\_\_, 1989, ending \_\_\_\_\_, 19

## 1989

Form 1120

Department of the Treasury  
Internal Revenue Service

► Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

Check if a <input type="checkbox"/> <b>A Consolidated return.</b> B Personal holding co. <input type="checkbox"/> C Personal service corp. (as defined in Temp. Regs. sec. 1.441-4T -- see instructions) <input type="checkbox"/>		Use IRS label. <input type="checkbox"/> Other- wise, please print or type.		Name <b>Brander Industries, Inc.</b> Number and street <b>6829 Farmdale Avenue</b> City or town, state, and ZIP code <b>No. Hollywood, CA 91605</b>		D Employer identification no. <b>46-0403303</b> E Date incorporated <b>1/01/89</b> F Total assets (see Specific Inst.)	
G Check applicable boxes: (1) <input checked="" type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Change in address						\$ <b>1,704,269</b>	
1a Gross receipts or sales		b Less returns & allowances		c Bal		1c	
2 Cost of goods sold and/or operations (Schedule A, line 7)						2	
3 Gross profit (line 1c less line 2)						3	
4 Dividends (Schedule C, line 19)						4	
5 Interest						5 12,686	
6 Gross rents						6 119,651	
7 Gross royalties						7	
8 Capital gain net income (attach Schedule D (Form 1120))						8	
9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)						9 126,385	
10 Other income (see instructions -- attach schedule)						10 365,605	
11 Total income -- Add lines 3 through 10						11 624,327	
12 Compensation of officers (Schedule E, line 4)						12 69,668	
13a Salaries and wages 200,503		b Less jobs credit		c Balance		13c 200,503	
14 Repairs						14 2,538	
15 Bad debts						15	
16 Rents						16 68,592	
17 Taxes						17 45,782	
18 Interest						18 6,501	
19 Contributions (see instructions for 10% limitation)						19	
20 Depreciation (attach Form 4562)		20 12,554					
21 Less depreciation claimed in Schedule A and elsewhere on return		21a				21b 12,554	
22 Depletion						22	
23 Advertising						23	
24 Pension, profit-sharing, etc., plans						24	
25 Employee benefit programs						25 1,281	
26 Other deductions (attach schedule)						26 37,999	
27 Total deductions -- Add lines 12 through 26						27 445,418	
28 Taxable income before net operating loss deduction and special deductions (line 11 less line 27)						28 178,909	
29 Less: a Net operating loss deduction (see instructions)		29a					
b Special deductions (Schedule C, line 20)		29b				29c	
30 Taxable income -- Line 28 less line 29c						30 178,909	
31 Total tax (Schedule J, line 10)						31 60,829	
32 Payments: a 1988 overpymnt. credit to 1989		32a					
b 1989 estimated tax payments		32b 15,625					
c Less 1989 refund applied for on Form 4466		32c ( )		d Bal		32d 15,625	
e Tax deposited with Form 7004						32e	
f Credit from regulated investment companies (attach Form 2439)						32f	
g Credit for Federal tax on fuels (attach Form 4136)						32g	
33 Enter any penalty for underpayment of estimated tax -- Check <input checked="" type="checkbox"/> if Form 2220 is attached						33 3,003	
34 Tax due -- If the total of lines 31 and 33 is larger than line 32h, enter amount owed						34 48,207	
35 Overpayment -- If line 32h is larger than the total of lines 31 and 33, enter amount overpaid						35	
36 Amt. of line 35 you want: Credited to 1990 estimated tax				Refunded		36	

**Please  
Sign  
Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date \_\_\_\_\_

**Title**

**Paid  
Preparer's  
Use Only**

Preparer's  
signature

Date \_\_\_\_\_

03/12/90

Check if self-employed ☐

Preparer's social security number

**Firm's name (or  
yours if self-employed)  
and address**

E.I. No. ZIP Code

Form 1120 (1989)

Brander Industries, Inc.

46-0403303

Page 2

**Schedule A** Cost of Goods Sold and/or Operations (See instructions for line 2, page 1.)

1	Inventory at beginning of year .....	1	
2	Purchases .....	2	
3	Cost of labor .....	3	
4a	Additional section 263A costs (see instructions -- attach schedule) .....	4a	
b	Other costs (attach schedule) .....	4b	
5	Total -- Add lines 1 through 4b. ....	5	
6	Inventory at end of year. ....	6	
7	Cost of goods sold and/or operations -- Line 5 less line 6. Enter here and on line 2, page 1 .....	7	

**8a** Check all methods used for valuing closing inventory:

- (i) ☐ Cost (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4 (see instructions)  
 (iii) ☐ Writedown of "subnormal" goods as described in Regulations section 1.471-2(c) (see instructions)  
 (iv) ☐ Other (Specify method used and attach explanation.) ▶

b Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ..... ☐c If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO ..... **8c**d Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the corporation? ..... ☐ Yes ☐ Noe Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation ..... ☐ Yes ☐ No**Schedule C** Dividends and Special Deductions (See instructions.)

	(a) Dividends received	(b) %	(c) Special deductions: (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock) .....	70	
2	Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock) .....	80	
3	Dividends on debt-financed stock of domestic and foreign corporations (section 246A).	see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities .....	41.176	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities .....	47.059	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction .....	70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction .....	80	
8	Dividends from wholly owned foreign subsidiaries subj. to 100% deduction (sec. 245(b)) .....	100	
9	Total -- Add lines 1 through 8. See instructions for limitation .....		
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 .....	100	
11	Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1)) .....	100	
12	Dividends from affiliated group members subject to the 100% deduction (sec. 243(a)(3)) .....	100	
13	Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11 .....		
14	Income from controlled foreign corporations under subpart F (attach Forms 5471) .....		
15	Foreign dividend gross-up (section 78) .....		
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d)) .....		
17	Other dividends .....		
18	Deduction for dividends paid on certain preferred stock of public utilities (see instructions) .....		
19	Total dividends -- Add lines 1 through 17. Enter here and on line 4, page 1 .....		
20	Total deductions -- Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1 .....		

**Schedule E** Compensation of Officers (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a, plus lines 4 through 10, of page 1, Form 1120) are \$500,000 or more.

1	(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
				(d) Common	(e) Preferred	
	Niels Bruun-Andersen	FX-6 Personal Privacy	50.00 %	100.00 %	%	
	Bart M. Hackley		100.00 %	%	%	69,668
			%	%	%	
			%	%	%	
			%	%	%	
2	Total compensation of officers .....					69,668
3	Less: Compensation of officers claimed on Schedule A and elsewhere on return .....					( )
4	Compensation of officers deducted on line 12, page 1 .....					69,668

**Schedule J Tax Computation**

<b>1</b> Check if you are a member of a controlled group (see sections 1561 and 1563) .....	<input checked="" type="checkbox"/>	
<b>2</b> If the box on line 1 is checked:		
<b>a</b> Enter your share of the \$50,000 and \$25,000 taxable income bracket amounts (in that order):		
(i) <u>\$ 50,000</u> (ii) <u>\$ 25,000</u>		
<b>b</b> Enter your share of the additional 5% tax (not to exceed \$11,750) ▶	<u>\$ 11,750</u>	
<b>3</b> Income tax (see instructions to figure the tax). Check this box if the corporation is a qualified personal service corporation (see instructions) .. ▶ <input type="checkbox"/>		<b>3</b> 60,829
<b>4a</b> Foreign tax credit (attach Form 1118) .....	<b>4a</b>	
<b>b</b> Possessions tax credit (attach Form 5735) .....	<b>4b</b>	
<b>c</b> Orphan drug credit (attach Form 6765) .....	<b>4c</b>	
<b>d</b> Credit for fuel produced from a nonconventional source (see instructions) .....	<b>4d</b>	
<b>e</b> General business credit. Enter here and check which forms are attached:		
<input type="checkbox"/> Form 3800 <input type="checkbox"/> Form 3468 <input type="checkbox"/> Form 5884		
<input type="checkbox"/> Form 6478 <input type="checkbox"/> Form 6765 <input type="checkbox"/> Form 8586 .....	<b>4e</b>	
<b>f</b> Credit for prior year minimum tax (attach Form 8801) .....	<b>4f</b>	
<b>5</b> Total -- Add lines 4a through 4f .....	<b>5</b>	0
<b>6</b> Line 3 less line 5 .....	<b>6</b>	60,829
<b>7</b> Personal holding company tax (attach Schedule PH (Form 1120)) .....	<b>7</b>	
<b>8</b> Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611 .....	<b>8</b>	
<b>9a</b> Alternative minimum tax (attach Form 4626) .....	<b>9a</b>	
<b>b</b> Environmental tax (attach Form 4626) .....	<b>9b</b>	
<b>10</b> Total tax -- Add lines 6 through 9b. Enter here and on line 31, page 1. ....	<b>10</b>	60,829

**Additional Information (See instruction F.)**

<b>H</b> Refer to the list in the instructions and state the principal:	Yes	No
(1) Business activity code no. ▶ <u>8600</u>		
(2) Business activity ▶ <u>Management</u>		
(3) Product or service ▶ <u>Services</u>		
<b>I</b> (1) Did the corporation at the end of the tax yr. own, directly/indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a schedule showing: (a) name, address, and identifying number; (b) percentage owned; and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.	<input checked="" type="checkbox"/>	
(2) Did any individual, partnership, corporation, estate, or trust at end of the tax year own, directly/indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see sec. 267(c).) If "Yes," complete (a) through (c).	<input checked="" type="checkbox"/>	
(a) Attach a schedule showing name, address, and identifying number.		
(b) Enter percentage owned ▶ <u>100.0000</u>		
(c) Was the owner of such voting stock a person other than a U.S. person? (See instructions.) Note: If "Yes," the corporation may have to file Form 5472 .....	<input checked="" type="checkbox"/>	
If "Yes," enter owner's country ▶		
<b>J</b> Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) .....	<input checked="" type="checkbox"/>	
If "Yes," attach Form 5471 for each such corporation.		

**K** At any time during the tax year, did the corporation have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? .....

(See Inst. F and filing requirements for form TD F 90-22.1.)

If "Yes," name of foreign country ▶

**L** Was the corporation the grantor of, or transferor to, a foreign trust that existed during the current tax year, whether or not the corporation has any beneficial interest in it? .....

If "Yes," corp. may have to file Forms 3520, 3520-A, or 926.

**M** During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) .....

If "Yes," file Form 5452. If this is a consolidated return, answer here for parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.

**N** During this tax year, did the corporation maintain any part of its accounting/tax records on a computerized system? .....

**O** Check method of accounting:

- (1) ☐ Cash
- (2) ☒ Accrual
- (3) ☐ Other (specify) ▶

**P** Check this box if the corporation issued publicly offered debt instruments with original issue discount .....

If so, the corporation may have to file Form 8281.

**Q** Enter the amount of tax-exempt interest received or accrued during tax yr. ▶ \$

**R** Enter the no. of shareholders at end of tax year if there were 35 or fewer shareholders ▶ 1

Form 1120 (1989)

Brander Industries, Inc.

46-0403303

Page 4

**Schedule L Balance Sheets**

	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash .....				400,724
2a Trade notes and accounts receivable .....			15,117	
b Less allowance for bad debts .....				15,117
3 Inventories .....				
4 U.S. government obligations .....				
5 Tax-exempt securities (see instructions) ..				
6 Other current assets (attach schedule) ...				21,109
7 Loans to stockholders .....				434
8 Mortgage and real estate loans .....				
9 Other investments (attach schedule) .....				4,063
10a Buildings and other depreciable assets ..			40,448	
b Less accumulated depreciation .....			12,981	27,467
11a Depletable assets .....				
b Less accumulated depletion .....				
12 Land (net of any amortization) .....				400,741
13a Intangible assets (amortizable only) .....			3,428	
b Less accumulated amortization .....			686	2,742
14 Other assets (attach schedule) .....				831,872
15 Total assets .....				1,704,269
<b>Liabilities and Stockholders' Equity</b>				
16 Accounts payable .....				38,858
17 Mortg., notes, bonds paybl. in less than 1 yr.				18,678
18 Other current liabilities (attach schedule) .				54,575
19 Loans from stockholders .....				
20 Mortg., notes, bonds paybl. in 1 yr. or more				93,480
21 Other liabilities (attach schedule) .....				
22 Capital stock: a Preferred stock .....				
b Common stock .....			11,000	11,000
23 Paid-in or capital surplus .....				
24 Retained earnings -- Appropriated (attach sch.)				
25 Retained earnings -- Unappropriated ...				1,487,678
26 Less cost of treasury stock .....		( )		( )
27 Total liabilities and stockholders' equity ..				1,704,269

**Schedule M-1 Reconciliation of Income per Books With Income per Return** (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Net income per books .....	178,500	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax .....		a Tax-exempt interest \$ .....	
3 Excess of capital losses over capital gains .....			
4 Income subject to tax not recorded on books this year: .....			
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation .....		a Depreciation .... \$ .....	
b Contributions carryover \$ .....		b Contris. carryover \$ .....	
c Travel & entertainment \$ .....	409		
	409	9 Total of lines 7 and 8 .....	
6 Total of lines 1 through 5 .....	178,909	10 Income (line 28, page 1) -- line 6 less line 9	178,909

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books** (line 25, Schedule L) (You are not required to complete this schedule if the total assets on line 15, column (d), of Schedule L are less than \$25,000.)

1 Balance at beginning of year .....		5 Distributions: a Cash .....	
2 Net income per books .....	178,500	b Stock .....	
3 Other increases: .....		c Property .....	
		6 Other decreases: .....	
		See Schedule	788,470
See Schedule	2,097,648	7 Total of lines 5 and 6 .....	788,470
4 Total of lines 1, 2, and 3 .....	2,276,148	8 Balance at end of year (line 4 less line 7)	1,487,678



**Sales of Business Property**  
(Also, Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F)

▶ **Attach to your tax return.** See separate instructions.

OMB No. 1545-0184

## 1989

Sequence No. 27

Name(s) shown on return

Brander Industries, Inc.

Identifying number

46-0403303

**Part** Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty and Theft — Property Held More Than 1 Year

**1** Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1989 on Form(s) 1099-S (or an equivalent statement) that you will be including on lines 2 or 10 (column d), or on line 20. (Form 1099-S is a Statement for Recipients of Proceeds From Real Estate Transactions.) . . . . .

1

[illegible]

**3** Gain, if any, from Form 4684, Section B, line 21 .....

**4** Section 1231 gain from installment sales from Form 6252, line 22 or 30 .....

**5** Gain, if any, from line 32, from other than casualty and theft .....

**6** Add lines 2 through 5 in columns (g) and (h) .....

**7** Combine columns (g) and (h) of line 6. Enter gain or (loss) here, and on the appropriate line as follows (partnerships see the Instructions for line references): .....

If line 7 is zero or a loss, enter the amount on line 11 below and skip lines 8 and 9. (S corporations enter the loss on Schedule K (Form 1120S), line 5.) If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain as a long-term capital gain on Schedule D and skip lines 8, 9, and 12 below.

**8** Nonrecaptured net section 1231 losses from prior years (see Instructions) .....

**9** Subtract line 8 from line 7. If zero or less, enter zero . . . . .

If line 9 is zero, enter the amount from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the amount from line 9 as a long-term capital gain on Schedule D. See Line-by-Line Instructions for line 9.

## Part II Ordinary Gains and Losses

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed (or allowable) since acquisition	(f) Cost or other basis, plus improvements & expense or sale	(g) LOSS ((f) minus the sum of (d) and (e))	(h) GAIN ((d) plus (e) minus (f))
-----------------------------	-----------------------------------	-------------------------------	-----------------------	---	--	---	-----------------------------------

**10** Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

Chair / file							
	10/01/89	12/29/89		314	338	24	
Vista Del Mar							
	1/01/89	12/29/89	282,260		241,778		40,482
Production equipment							
	1/01/89	12/29/89	100,000		14,073		85,927

**11** Loss, if any, from line 7 .....

**12** Gain, if any, from line 7, or amount from line 8 if applicable .....

**13** Gain, if any, from line 31 .....

**14** Net gain or (loss) from Form 4684, Section B, lines 13 and 20a .....

**15** Ordinary gain from installment sales from Form 6252, line(s) 21 and/or 29

**16** Recapture of section 179 deduction for partners and S corporation shareholders from property dispositions

10 Recapture of section 179 deduction for partners and S corporation shareholders from property dispositions  
by partnerships and S corporations (see Instructions).

**17** Add lines 10 through 16 in columns (g) and (h) .....

( 24 )	126,409
--------	---------

**18** Combine columns (g) and (h) of line 17. Enter gain or (loss) here, and on the appropriate line as follows:

126,385

**a** For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.

**b** For individual returns:

(1) If the loss on line 11 includes a loss from Form 4684, Section B, Part II, column (b)(ii), enter that part of the loss here and on line 21 of Schedule A (Form 1040). Identify as from "Form 4797, line 18b(1)", .....

**(2) Redetermine the gain or (loss) on line 18, excluding the loss (if any) on line 18b(1). Enter here & on Form 1040, line 15**

For Paperwork Reduction Act Notice, see page 1 of separate instructions.

Preparers Edition

Form 4797 (1989)

Form 4797 (1989)

Brander Industries, Inc.

46-0403303

Page 2

**Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255**

19 Description of sections 1245, 1250, 1252, 1254, and 1255 property:

Date acquired  
(mo., day, yr.)Date sold  
(mo., day, yr.)A  
B  
C  
D

Relate lines 19A through 19D to these columns

Property  
AProperty  
BProperty  
CProperty  
D

20 Gross sales price. ....

21 Cost or other basis plus expense of sale. ....

22 Depreciation (or depletion) allowed (or allowable). ....

23 Adjusted basis, subtract line 22 from line 21. ....

24 Total gain, subtract line 23 from line 20. ....

25 If section 1245 property:

a Depreciation allowed (or allowable) (see Instructions) . . . . .

b Enter the smaller of line 24 or 25a. ....

26 If section 1250 property: If straight line depreciation was used, enter zero on line 26g unless you are a corporation subject to section 291.

a Additional depreciation after 12/31/75. ....

b Applicable percentage multiplied by the smaller of line 24 or line 26a (see Instructions). ....

c Subtract line 26a from line 24. If line 24 is not more than line 26a, skip lines 26d and 26e. ....

d Additional depreciation after 12/31/69 and before 1/1/76. ....

e Applicable percentage multiplied by the smaller of line 26c or 26d (see Instructions). ....

f Section 291 amount (for corporations only) . . . . .

g Add lines 26b, 26e, and 26f. ....

27 If section 1252 property: Skip this section if you did not dispose of farmland or if you are a partnership.

a Soil, water, and land clearing expenses. ....

b Line 27a multiplied by applicable percentage (see Instructions). ....

c Enter the smaller of line 24 or 27b. ....

28 If section 1254 property:

a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see Instructions). ....

b Enter the smaller of line 24 or 28a. ....

29 If section 1255 property:

a Applicable percentage of payments excluded from income under section 126 (see Instructions). ....

b Enter the smaller of line 24 or 29a. ....

**Summary of Part III Gains** (Complete property columns A through D, through line 29b before going to line 30.)

30 Total gains for all properties (add columns A through D, line 24) . . . . .

31 Add columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13. (see the Instructions for Part IV if this is an installment sale). . . . .

32 Subtract line 31 from line 30. Enter the portion from casualty and theft on Form 4684, Section B, line 15. Enter the portion from other than casualty and theft on Form 4797, line 5. ....

**Part IV Complete This Part Only if You Elect Out of the Installment Method and Report a Note or Other Obligation at Less Than Full Face Value**33 Check here if you elect out of the installment method. .... ☐

34 Enter the face amount of the note or other obligation. ....

35 Enter the percentage of valuation of the note or other obligation. ....

**Part V Computation of Recapture Amounts Under Sections 179 and 280F When Business Use Drops to 50% or Less** (See Instructions for Part V.)

36 Section 179 expense deduction or section 280F recovery deductions. ....

(a) Section 179

(b) Section 280F

37 Depreciation or recovery deductions (see Instructions). ....

38 Recapture amount (subtract line 37 from line 36) (see Instructions for where to report). ....

Form **2220**Department of the Treasury  
Internal Revenue Service**Underpayment of Estimated Tax by Corporations**▶ See separate instructions.  
▶ Attach to your tax return.

OMB No. 1545-0142

**1989**

Name

**Brander Industries, Inc.**

Employer identification number

**46-0403303****Note:** In most cases, IRS can figure the penalty for the corporation and you do not have to complete this form. See the separate instructions for more information.**Part II Figuring Your Underpayment**

<b>1</b>	Total tax (see instructions) .....	<b>1</b>	<b>60,829</b>		
<b>2a</b>	Personal holding company tax included on line 1 (Schedule PH (Form 1120), line 15) ...	<b>2a</b>			
<b>2b</b>	Credit for Federal tax on fuels .....	<b>2b</b>			
<b>2c</b>	Total -- Add lines 2a and 2b .....	<b>2c</b>			
<b>3</b>	Subtract line 2c from line 1. If the result is less than \$500, do not complete the rest of this form. You do not owe the penalty .....	<b>3</b>	<b>60,829</b>		
<b>4a</b>	Enter 90% of line 3 .....	<b>4a</b>	<b>54,746</b>		
<b>4b</b>	Enter the tax shown on your 1988 return. (Caution: See instructions before completing this line.) .....	<b>4b</b>	<b>0</b>		
<b>4c</b>	Enter the lesser of line 4a or line 4b .....	<b>4c</b>	<b>54,746</b>		
<b>5</b>	Enter in columns (a) through (d) the installment due dates (the 15th day of the 4th, 6th, 9th, and 12th months of your tax year) .....	(a)	(b)	(c)	(d)
<b>5</b>		<b>04/17/89</b>	<b>06/15/89</b>	<b>09/15/89</b>	<b>12/15/89</b>
<b>6</b>	Enter 25% of line 4c in columns (a) through (d) unless a or b below applies to the corporation:				
<b>a</b>	If you use annualized income installment method &/or the adjusted seasonal installment method, complete the worksheet in inst. & enter amount from line 45 in each column of line 6. Also check this box <input type="checkbox"/> and attach a copy of the worksheet.				
<b>b</b>	If you are a "large corporation," check this box <input type="checkbox"/> and see the inst. for the amount to enter in each col. of line 6				
<b>6</b>	Complete lines 7 through 14 for one column before completing the next column.	<b>13,685</b>	<b>13,687</b>	<b>13,687</b>	<b>13,687</b>
<b>7</b>	Amount paid or credited for each period. (See inst.) (For col. (a) only, enter amount from line 7 on line 11.)	<b>1,875</b>		<b>1,875</b>	<b>11,875</b>
<b>8</b>	Enter amount, if any, from line 14 of previous column.				
<b>9</b>	Add lines 7 and 8 .....			<b>1,875</b>	<b>11,875</b>
<b>10</b>	Add amounts on lines 12 and 13 of the previous column and enter the result .....		<b>11,810</b>	<b>25,497</b>	<b>37,309</b>
<b>11</b>	Subtract line 10 from line 9. If less than zero, enter zero. (For column (a) only, enter the amount from line 7.) ..	<b>1,875</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>12</b>	Remaining underpayment from previous period. If the amount on line 11 is zero, subtract line 9 from line 10 and enter the result. Otherwise, enter zero .....		<b>11,810</b>	<b>23,622</b>	<b>25,434</b>
<b>13</b>	Underpayment. If line 11 is less than or equal to line 6, subtract line 11 from line 6 and enter the result. Then go to line 7 of the next column. Otherwise, go to line 14.	<b>11,810</b>	<b>13,687</b>	<b>13,687</b>	<b>13,687</b>
<b>14</b>	Overpayment. If line 6 is less than line 11, subtr. line 6 from line 11 & enter result. Then go to line 7 of next col.				

Go to Part II to figure penalty.

For Paperwork Reduction Act Notice, see page 1 of the separate instructions.

Form 2220 (1989)

**Part II Figuring the Penalty**

	(a)	(b)	(c)	(d)
<b>15</b> Enter date of payment or the 15th day of the 3rd mo. after close of the tax year, whichever is earlier. (Form 990-PF and 990-T filers: Use 5th month instead of 3rd month.) . . .				
<b>16</b> Number of days from due date of installment on line 5 to the date shown on line 15. . . . .				
<b>17</b> No. of days on line 16 after 4/15/89 & before 10/1/89 . .				
<b>18</b> No. of days on line 16 after 9/30/89 & before 4/1/90 . .				
<b>19</b> No. of days on line 16 after 3/31/90 & before 7/1/90 . .				
<b>20</b> No. of days on line 16 after 6/30/90 & before 10/1/90 . .				
<b>21</b> No. of days on line 16 after 9/30/90 & before 1/1/91 . .				
<b>22</b> No. of days on line 16 after 12/31/90 & before 2/16/91 .				
<b>23</b> $\frac{\text{No. of days on line 17}}{365} \times 12\% \times \text{underpayment on line 13}$				
<b>24</b> $\frac{\text{No. of days on line 18}}{365} \times 11\% \times \text{underpayment on line 13}$				
<b>25</b> $\frac{\text{No. of days on line 19}}{365} \times \% \times \text{underpayment on line 13}$				
<b>26</b> $\frac{\text{No. of days on line 20}}{365} \times \% \times \text{underpayment on line 13}$				
<b>27</b> $\frac{\text{No. of days on line 21}}{365} \times \% \times \text{underpayment on line 13}$				
<b>28</b> $\frac{\text{No. of days on line 22}}{365} \times \% \times \text{underpayment on line 13}$				
<b>29</b> Add lines 23 through 28 . . . . .				
<b>30 Penalty.</b> Add columns (a) through (d), line 29. Enter here and on line 33, Form 1120; line 29, Form 1120-A; or comparable line for other income tax returns . . . . .				3,003

\* If the corporation's tax year ends after December 31, 1989, see the instructions for lines 25 through 28.

## Form 2220 - Underpayment of Estimated Tax - Schedule

Brander Industries, Inc.

EIN 46-0403303

Due Date of Estimated Payment	1st Qrt. 04/17/89	2nd Qrt. 06/15/89	3rd Qrt. 09/15/89	4th Qrt. 12/15/89
Amount of Underpayment	11,810	13,687	13,687	13,687
Date Estimated Payment Made	04/12/89	06/21/89	09/18/89	12/14/89
Amount of Estimates Paid	1,875	1,875	1,875	10,000

Quarter	From After	Through	Days	Year	Pct.	Underpayment	Penalty
#1	04/15/89	06/21/89	67	365	12%	11,810	260
#1	06/21/89	09/18/89	89	365	12%	9,935	291
#1	09/18/89	09/30/89	12	365	12%	8,060	32
#1	09/30/89	12/15/89	76	365	11%	8,060	185
#2	06/15/89	06/21/89	6	365	12%	13,687	27
#2	06/21/89	09/18/89	89	365	12%	13,687	400
#2	09/18/89	09/30/89	12	365	12%	13,687	54
#2	09/30/89	12/15/89	76	365	11%	13,687	313
#2	12/15/89	12/31/89	16	365	11%	11,747	57
#2	12/31/89	03/15/90	74	365	11%	11,747	262
#3	09/15/89	09/18/89	3	365	12%	13,687	13
#3	09/18/89	09/30/89	12	365	12%	13,687	54
#3	09/30/89	12/15/89	76	365	11%	13,687	313
#3	12/15/89	12/31/89	16	365	11%	13,687	66
#3	12/31/89	03/15/90	74	365	11%	13,687	305
#4	12/15/89	12/31/89	16	365	11%	13,687	66
#4	12/31/89	03/15/90	74	365	11%	13,687	305

Total Penalty - to line 32 of Form 2220

 -----  
 3,003  
 =====

Brander Industries, Inc.

46-0403303

FYE: 12/31/89

Page

## Schedule L, Line 5 - Other Current Assets

Beginning

Ending

Franchise tax deposit  
Incoe tax deposits  
Other

4,700  
15,625  
784

0

21,109

## Schedule L, Line 8 - Other Investments

Beginning

Ending

Art

4,063

0

4,063

## Schedule L, Line 13 - Other Assets

Beginning

Ending

Pacific Steel Trading Co.  
Notes receivable  
Cash Value - Life Insurance

670,357  
35,465  
126,050

0

831,872

## Schedule L, Line 18 - Other Current Liabilities

Beginning

Ending

Accrued taxes  
Accrued payroll  
Unrealized profits  
Other  
Accrued CA Income Taxes  
Accrued MT Income Taxes

5,286  
17,599  
5,486  
6,504  
15,400  
4,300

0

54,575

## Schedule M2, Line 3 - Other Increases

Equity from merger  
Increase NW / Pacific Steel

1,951,304  
146,344

2,097,648

INFORMATION STATEMENT TO IRS BY COMPANY

Brander Industries, Inc.  
46-0403303

Statement showing details of distribution of stock  
of Pacific Metal Stampings, Inc. (a controlled corporation),  
pursuant to Regs 1.355.5(a)

There is attached hereto:

1. Copy of balance sheet of Brander Industries, Inc. before the distribution.
2. Copy of income earned and expenses incurred by Pacific Metal Stampings, Inc. for the five years prior to distribution.
3. Copies of appropriate entries in minutes of Brander Industries, Inc. showing authorization of transaction under section 335. 7

PACIFIC METAL STAMPINGS, INC.  
(A California Corporation)

EXHIBIT B

COMPARATIVE STATEMENTS OF INCOME AND RETAINED EARNINGS  
FOR THE FISCAL YEARS ENDING MARCH 31, 1986, 1985 AND 1984

	<u>March 31, 1986</u>	<u>March 31, 1985</u>	<u>March 31, 1984</u>
<u>REVENUES</u>	<u>\$1,206,22</u>	<u>\$1,210,300</u>	<u>\$ 992,774</u>
<u>COSTS AND EXPENSES</u>			
Cost of operations(Schedule B-1)	791,041	783,197	669,578
General and administrative expenses (Schedule B-2)	322,383	313,221	260,157
Federal income taxes	<u>21,378</u>	<u>29,120</u>	<u>4,205</u>
Total Cost and Expenses	<u>1,134,801</u>	<u>1,125,538</u>	<u>933,940</u>
<u>NET INCOME</u>	<u>71,419</u>	<u>84,762</u>	<u>58,784</u>
<u>RETAINED EARNINGS AT APRIL 1, 1985, 1984, AND 1983</u>	<u>541,782</u>	<u>457,020</u>	<u>398,236</u>
<u>RETAINED EARNINGS AT MARCH 31, 1986, 1985 AND 1984</u>	<u>\$ 613,201</u>	<u>\$ 541,782</u>	<u>457,020</u>
 Per share of common stock			
Net income	<u>\$3.93</u>	<u>\$4.70</u>	<u>\$3.27</u>

BART HACKLEY ACCOUNTANCY CORPORATION



Brander Industries, Inc.

46-0403303

FYE: 12/31/89

Page

Schedule M2, Line 6 - Other Decreases  
-----

Pacific Metal stock distrib.

788,470  
-----  
788,470  
=====



U.S. Environmental Protection Agency, Region IX

# Financial Statement for Businesses \*

(If additional space is needed, attach a separate sheet)

1. Your name and address (including zipcode and county) ERIK B.ANDERSEN 6829 farmdale Ave. N.Hollywood,CA. 91605		1a. Business name and address (including zipcode and county) Brander Industries Inc. 6829 Farmdale Ave. N.Hollywood,CA. 91605		2. Business phone number ( 213 ) 875-3525	
3. Name and address of registered agent (including zipcode and county) Woods Fuller Shultz & Smith P.C. 310 South first Ave. South Falls,SD. 57102		4. (Check appropriate box) <input type="checkbox"/> Sole proprietor <input type="checkbox"/> Trust <input type="checkbox"/> Partnership <input type="checkbox"/> Other (specify) _____ <input checked="" type="checkbox"/> Corporation		7a. Type of business Bookkeeping, Accounting	
5. State of Incorporation (or country if foreign) South Dakota		5a. Employer Identification Number		6. Date of Incorporation 1988	
				7b. SIC Code 8721	

8. Information about owner, partners, officers, directors, major shareholder (5% or more stock ownership), other holders of more than 5% equity interest, holders of rights to purchase more than equity interest and other persons with an ability to control.

Name and Title	Effective Date	Home Address	Social Security Number (optional)	Phone Number	Total Shares or Interest
Niels Bruun-Andersen owner, President	1988	6829 Farmdale Ave. N.Hollywood,CA.91605		213-875-3525	FX-6 Personal Privacy
Erik B.Andersen	1991	6829 Farmdale Ave. N.Hollywood,CA. 91605		213-875-3525	

## Section I General Financial Information

9. Last three years Federal and state income tax returns	Forms Filed	Tax Years ended	Net Income before taxes
--	-------------	-----------------	-------------------------

10. Bank accounts (List all types of accounts including checking, savings, certificates of deposit, etc.)

Name of Institution	Address	Type of Account	Account No.	Balance
First Interstate Bank	4605 Lankershim Blvd.	Checking	FX-4 CBI Determined	
	N.Hollywood,CA.91602	Payroll		
		Market Interest		
		Total (Enter in Item 19)		

11. Bank Credit available (Lines of credit, etc.)

Name of Institution	Address	Credit Limit	Amount Owed	Credit Available	Monthly
000000					
Totals					

12. Location, box number, and contents of all safe deposit boxes rented or accessed

NONE

## Section I - continued

## General Financial Information

## 13. Real property

Brief Description and Type of Ownership	Address (include county, state and parcel number)
a. FARM PROPERTY, Sold Oct. 92, expecting check	Delphia Star Route, MT. 59072
b. for \$110,000.00	
c.	

## 14. Insurance policies owned with business as beneficiary

Name Insured	Company	Policy Number	Type	Face Amount	Available Loan Value
000					
Total (Enter in Item 21)					

## 15. Additional Information (Court and administrative proceedings by or against the business, settlement agreements, agreements to purchase or sell tangible or financial assets other than in the ordinary course of business, legal claims [whether asserted or not], bankruptcies, repossessions, recent transfers of assets for less than full value, anticipated increases in income, options to buy or sell real or personal property, real or personal property being purchased under contract, real or personal property being held on behalf of the business).

0000

## 15a. List all subsidiaries owned, joint ventures, partnerships and other entities controlled by the business. Provide current market value of the business' interest in such subsidiary or other entity.

PACIFIC STEEL TREATING CO. INC. 70 % ownership by brander Ind.

Magnetic &amp; Penetrant Services Co. 60 % ownership by Brander Ind.

## 16. Federal government departments or agencies with whom you have a contract for payment of goods or services

Agency Name	Address	Contract No.	Amount to be Received	Payment Due Date
000				

## 16a. Federal government departments or agencies that have extended or given the business loans, grants or assistance, or to which you have applied (or anticipate applying for any loan, grant, or assistance) in the past 5 years.

000				

## 17. Accounts/Notes receivable (Include loans to stockholders, officers, partners, etc.)

Agency Name	Address	Amount Due	Due Date	Status
000				
Total (Enter in Item 20)				

## Section II.

## Asset and Liability Analysis

Description (a)	Cur. Mkt Value (b)	Liabilities Bal. Due (c)	Equity in Asset (d)	Amount of Mo. Pymt. (e)	Name and Address of Lien/Note Holder/Obligee (f)	Date Pledged (g)	Date of Final Pymt. (h)
18. Cash on hand					N/A		
19. Bank accounts					N/A		
19a. Securities and other financial assets owned					N/A		
20. Accounts/Notes receivable					N/A		
21. Insurance Loan Value					N/A		
22. Real property (from Item 13)	N/A	a.					
		b.					
		c.					
		d.					
23. Vehicles (Model, year, license)	a. N/A						
	b. N/A						
	c. N/A						
24. Machinery and equipment (Specify)	a. N/A						
	b.						
	c.						
25. Merchandise Inventory (Specify)	a. N/A						
	b.						
26. Other Assets (Including permits, licenses, tax loss carry forwards, agreements not to compete, other contracts) (Specify)	a. N/A						
	b.						
	c.						
	d.						
27. Other Liabilities (Include judgements, notes, tax liens, etc.)	a. N/A						
	b.						
	c.						
	d.						
	e.						
28. Federal & State Taxes Owed	N/A						
29. Totals							

## Section III.

## Income and Expense Analysis

The following information applies to income and expenses during a one year period:

1/1/91

to

12/31/91

Accounting method used

ACCRUAL

Income		Expenses	
30. Gross receipts from sales, services, etc.	\$ 603,789.49	36. Materials purchased	\$
31. Gross rental income		37. Wages and salaries of employees	
32. Interest		38. Wages/salaries/bonuses for officers, directors and stockholders	
33. Dividends		39. Rent	
34. Other income (Specify)		40. Installment payments (from line 29)	
		41. Supplies	
		42. Utilities / Telephone	
		43. Gasoline / Oil	
		44. Repairs and maintenance	
		45. Insurance	
		46. Current taxes	
		47. Other, including fees paid for services (Specify)	
		GENERAL AND ADMIN. EXPENSE	516,954.81
		NET PROFIT- BEFORE TAX	86,834.68
		INCOME TAX	18,369.92
		NET PROFIT	68,464.76
35. Total	\$ 603,789.49	48. Total	\$
		49. Net difference	\$ 68,464.76

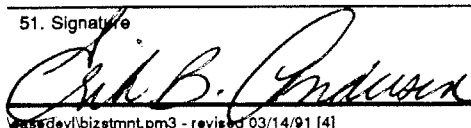
50. List all transferred real & personal property, including cash (by gift; by loan that was not at fair market terms; by sale for less than fair market value or made outside the normal course of business, etc.) that was made within the last 3 years (items of \$3,000.<sup>00</sup> or more):

Date	Amount	Property Transferred	To Whom	Conditions of Transfer
			(Indicate any relationship to business or its partners, directors, stockholders, or other controlling persons)	

## Certification

Under penalties of perjury, I declare that to the best of my knowledge and belief this statement of assets, liabilities, and other information is true, correct, and complete.

51. Signature



52. Print Name / Title

ERIK B. ANDERSEN / V.P.

53. Date

10/8/92